

FRANCHISE DISCLOSURE DOCUMENT



ARCpoint Franchise Group, LLC
A South Carolina limited liability company
303 Perimeter Center North, Suite 575
Atlanta, GA 30346
Telephone: (864) 271-3210
E-mail: recruitment@arcpointlabs.com
www.arcpointlabs.com

ARCpoint Franchise Group, LLC offers franchisees the opportunity, consistent with state and federal law, to operate a business which provides lab screening and testing services and other related services to commercial businesses under the ARCpoint labs trademark ("ARCpoint Labs business").

The total investment necessary to begin the operation of a franchised ARCpoint Labs business is \$165,700 to \$310,420, which includes \$62,000 which must be paid to the franchisor or its affiliates.

If you sign a Multi-Franchise Addendum, the total initial investment necessary to begin operation of two to five ARCpoint Labs businesses is \$313,900 to \$741,000. This includes \$111,500 to \$235,000 which must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kelly Cromptvoets, 303 Perimeter Center North, Suite 575, Atlanta, GA 30346 and (864) 271-3210.

The terms of your contract will govern your franchise relationship. Don't rely on this disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: August 8, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only ARCpoint Labs business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an ARCpoint Labs franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Georgia than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE	4
ITEM 3 LITIGATION	5
ITEM 4 BANKRUPTCY	6
ITEM 5 INITIAL FEES	6
ITEM 6 OTHER FEES	7
ITEM 7 ESTIMATED INITIAL INVESTMENT	11
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	14
ITEM 9 FRANCHISEE’S OBLIGATIONS	18
ITEM 10 FINANCING	19
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	19
ITEM 12 TERRITORY	27
ITEM 13 TRADEMARKS.....	30
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	32
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	32
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	33
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	33
THE FRANCHISE RELATIONSHIP	33
ITEM 18 PUBLIC FIGURES	36
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	36
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	38
ITEM 21 FINANCIAL STATEMENTS.....	43
ITEM 22 CONTRACTS	43
ITEM 23 RECEIPT	44

EXHIBITS:

A	Financial Statements
B	Franchise Agreement
	Attachment I Summary Information
	Attachment II Authorization Agreement for Preauthorized Payment Service
	Attachment III Statement of Ownership
	Attachment IV Guaranty
	Attachment V Confidentiality and Covenant Not To Compete Agreement
	Attachment VI Form of Lease Addendum
C	Multi-Franchise Addendum
D	State Administrators and Agents for Service of Process
E	Additional State Required FDD Disclosures
F	State Required Agreement Addenda
G	Manual Table of Contents
H	List of Current and Former Franchisees
I	General Release
J	Disclosure Acknowledgement Form
K	State Effective Dates

Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we”, “us”, and “Any Test Franchising” means ARCpoint Franchise Group, LLC, the franchisor. “You” means the person or entity that buys the franchise (the “Franchisee”). If an entity is the Franchisee, “you” includes the Franchisee’s owners.

The Franchisor

ARCpoint Franchise Group, LLC is a South Carolina limited liability company formed on February 11, 2005. Our principal business address is 303 Perimeter Center North, Suite 575, Atlanta, Georgia 30346. Our agents for service of process are disclosed in Exhibit D to this disclosure document. We do not operate any ARCpoint Labs businesses. As of December 31, 2024, there were 124 franchised ARCpoint Lab businesses in operation.

From July 2005 until January 2010, we offered franchises under the “AccuDiagnostics” name and mark that offered drug, alcohol, and paternity DNA testing. Since January 2010, we have only offered franchises under the “ARCpoint” name.

Our Parents, Predecessors and Affiliates

Our parent, Cresso Brands, LLC (“Cresso Brands”), is a Delaware limited liability company with a principal business address of 2035 Colonial Boulevard, Fort Myers, Florida 33907. Cresso Brands is owned by ALTN Holdings, LLC (“ALTN Holdings”), a Florida limited liability company with a principal business address of 2035 Colonial Boulevard, Fort Myers, Florida 33907 and ARCpoint Group LLC (“ARCpoint Group”), a Delaware corporation with a principal business address of 101 North Main Street, Suite E, Greenville, South Carolina 29601. The Lags Trust is the majority and controlling member of ALTN Holdings with a principal business address of 2035 Colonial Boulevard, Fort Myers, Florida 33907. ARCpoint Group’s parent is ARCpoint Inc., a Canadian corporation, (“ARCpoint Inc.”) whose principal business address is 333 Bay Street, Suite 635, Toronto, Ontario, M5H 2R2, Canada.

ARCPoint Group LLC (“ARCPoint Group”), a Delaware limited liability company with a principal business address of 101 North Main Street, Suite E, Greenville, South Carolina 29601, provides clinical authority, administrative, customer service, software as a service, data management, bill facilitation, general purchasing and other services to our franchisees. ARCPoint Group has never offered franchises in this or any other line of business.

Our affiliate, Any Test Franchising, LLC (“ATF”) is a Florida limited liability company with a principal business address of 303 Perimeter Center North, Suite 575, Atlanta, Georgia, 30346. Since September 2004, ATF has offered franchises under the “Any Lab Test Now” name and mark that specialize in the collection of blood, urine, DNA or other human specimens for analysis and administer certain types of injections and immunizations for the analysis portion of the business operations. As of December 31, 2024, there were 237 Any Lab Test Now businesses in operation.

We do not have a predecessor. We do not have any other affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Franchise Business

ARCpoint Labs businesses offer a variety of healthcare and safety services to commercial businesses, including: screening, and related services both on and off-site; drug, alcohol, DNA and clinical testing; background screens; occupational health and corporate wellness services including vaccines (COVID, flu, etc.) and physicals; regulatory compliance services (primarily directed toward businesses who fall under the U.S. Department of Transportation's ("DOT") rigid regulatory federal guidelines); and telehealth services.

ARCpoint Labs businesses operate from retail locations and provide additional products and services off-site to customers located within a defined geographic territory ("Territory"). ARCpoint Labs businesses operate under our uniform standards, procedures, and specifications that incorporate our unique methods and high standards of service, including valuable know-how, information, confidential information, training, sources and specifications, methods of Internet usage, and research and development, as may from time to time be added to, changed, modified, withdrawn, or otherwise revised by us (the "System"). The distinguishing characteristics of the System include our confidential operating procedures, the operations manual ("Manual"), the Marks (as defined below), and the standards and specifications for equipment, products and services, signage, methods of service, management and marketing programs, and sales techniques and strategies. We have the right to change or otherwise modify the System and add, modify, or delete any of our approved services and products at any time.

ARCpoint Labs businesses are identified by our proprietary trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings, and other commercial symbols now or in the future associated with the System, whether or not they are registered, including, but not limited to, the "ARCpoint Labs" mark (collectively, the "Marks").

This disclosure document sets forth the terms on which we currently offer franchises for ARCpoint Labs businesses ("Businesses"). If you purchase a franchise, you must operate your Business in accordance with our System and sign our standard franchise agreement ("Franchise Agreement"), which is attached to this disclosure document as Exhibit B. We also offer franchises to existing franchisees who wish to open additional Businesses. Existing franchisees must sign our then-current form of Franchise Agreement and are subject to certain terms that may be different from franchisees opening their first Business as noted in various items of this disclosure document.

The testing, screening, and related products and services provided at ARCpoint Labs business brick and mortar retail locations are referred to in this disclosure document as the "Lab Operations" portion of the business. ARCpoint Labs businesses also subcontract certain testing, screening, and related products by contracting with an approved online customer intake and test scheduling platform that allows customers to schedule laboratory services at a variety of collection sites, including non-ARCpoint Labs businesses ("Subcontracted Services"). ARCpoint Labs businesses also provide certain testing, screening, and related products and services on-site at customers' or third parties' businesses located within their Territory ("Onsite Services"). The Subcontracted Services and Onsite Services are referred to collectively as the "Onsite/Online Operations" portion of an ARCpoint Labs business.

We, our affiliates, and our franchisees may solicit and negotiate national and regional agreements with third-party administrators ("TPAs") that act as service agents that provide or coordinate one or more drug and/or alcohol testing services to employers with locations that span multiple territories under either a drug-free workplace program or DOT guidelines (each a "TPA Account"). You may establish and administer a TPA Account for a business customer with its headquarters or principal place of business within your Territory, and additional locations outside of your Territory if the additional locations are

owned and operated by the same parent company. You may also service TPA Accounts administered by us, our affiliates or other franchisees. (See Item 12 for more information about TPA Accounts).

We offer certain qualified franchisees the opportunity to purchase multiple Territories and enter into multiple Franchise Agreements at the same time through a Multi-Franchise Addendum (the “MFA”) which is attached to this disclosure document as Exhibit C. Currently, there is no maximum number of franchise agreements that may be signed in conjunction with an MFA. If you sign an MFA and fail to satisfy the development deadlines specified in the MFA, then we will have the right to terminate any Franchise Agreements that you already signed for ARCpoint Lab Businesses that have not commenced Lab Operations at the time of the breach. If you do not sign an MFA, you will have no rights to develop or operate an ARCpoint Lab Business in more than one Territory unless you sign additional Franchise Agreements.

Market and Competition

ARCpoint Lab Businesses service the needs of commercial businesses. There are two target markets, or “pillars,” of ARCpoint Labs businesses. The first pillar, *Business to Business*, targets manufacturing, transportation, and construction businesses for toxicology testing, background screenings, and other employer services. The second pillar, *Judicial*, targets attorneys practicing family and/or criminal law, drug courts, and parole/probation offices for toxicology and DNA testing.

The market for the services offered by ARCpoint Labs businesses is developed and competitive, though ever-changing. It is not seasonal. Technology and changes in legislation may directly affect the market. ARCpoint Labs businesses compete with other businesses, including franchised operations, online retailers, national chains, and independently owned companies offering similar services.

Industry-Specific Laws

You must comply with all local, state, and federal laws and regulations that apply to your Business. Certain federal government agencies and many states have laws, rules, and regulations that may apply to the products and services you will offer through your Business. Some states may require you to obtain a state certification before being allowed to administer “instant” drug screens or tests. Some states prohibit the use of “instant” drug screens.

You must comply with federal and state Clinical Lab Improvement Amendments regulations (“CLIA”), which are complex standards that laboratories must meet depending on whether they are providing low, medium, or high complexity lab services. The U.S. Food and Drug Administration establishes standards for CLIA categorization, including knowledge, training and experience, reagents and materials preparation, characteristics of operational steps, calibration, quality control, and proficiency testing materials, test system troubleshooting and equipment maintenance, and interpretation and judgment. You must operate your Business in accordance with CLIA regulations, which will vary depending upon the complexity of testing that you provide.

Some states may also require you to buy a special license, have a certain designation, or employ particular licensed or certified professionals, such as a phlebotomist, medical assistant, nurse, or physician before providing clinical testing services. For example, in California, phlebotomists are licensed by the California Department of Public Health, Laboratory Field Services. You may need to hire medical personnel to operate your Business. You must comply with the regulations the DOT has established dealing directly with drug testing laboratories, such as what laboratories can be used, the validity of testing, how to process samples, and chain of command concerns. In addition, the DOT has specific sections regarding urine testing, alcohol testing, and testing sites. The DOT rules have been adopted by other industries. You

also must comply with all regulations regarding the proper use, storage and disposal of waste or other hazardous materials.

ITEM 2 BUSINESS EXPERIENCE

EMPLOYEES OF ARCPOINT FRANCHISE GROUP, LLC

Kelly Cromptvoets, Interim President and Director

Kelly Cromptvoets has been our Interim President since March 2025. She has served as a Member of the Board of Directors of Cresso Brands since August 2024 and as Chief Marketing Officer for Cresso Brands since March 2025. She served as ATF's Vice President of Marketing from October 2021 to February 2025. From November 2012 to April 2021, she served in various roles for Home Franchise Concepts, LLC in Irvine, California including as Vice President of Marketing from August 2016 to January 2018, Vice President of Franchise Relations from February 2018 to February 2020 and Vice President of Operations - Budget Blinds from February 2020 to April 2021. Ms. Cromptvoets has held each of these positions in Anaheim Hills, California.

Jamie Welch, Vice President of Strategy

Jamie Welch has been our Vice President of Strategy since May 2023. She served as our Director of Strategic Initiatives from October 2020 to May 2023. She served as our Vice President of Franchise Development from December 2019 to October 2020. She served as our Development Director from August 2019 to December 2019. She also served as our Go to Market Manager for Screening Solutions from October 2018 to December 2019. Ms. Welch has held each of these positions in Indianapolis, Indiana.

EMPLOYEES OF CRESSO BRANDS, LLC

Lynn Brewer, Franchise Development Director

Lynn Brewer has been our Franchise Development Director since January 2024. She has also served as ATF's Franchise Development Director since January 2024. From April 2022 to January 2024, she served as ATF's Business Development Manager. From August 2021 to April 2022, she served as ATF's Business Development Assistant. Ms. Brewer has held these positions with us and ATF in Atlanta, Georgia. From July 2020 to June 2021, she served as the Business Development Manager for Carbonell Marketing Associates in Atlanta, Georgia. From August 2015 to August 2020, she was an educator at The Cottage School in Roswell, Georgia.

Haigen Mirando, Franchise Development Director

Haigen Mirando has served as our Franchise Development Director since April 2025 in Greenville, South Carolina. He also has served as ATF's Franchise Development Director since August 2017 in Greenville, South Carolina.

Clarissa Bradstock - Director

Clarissa Bradstock has served as a Member of the Board of Directors of Cresso Brands since August 2024. She also has served as ATF's Chief Executive Officer and Director since March 2014. From July 2013 to March 2014, she served as ATF's Acting Chief Executive Officer. From June 2007 to July 2013,

Ms. Bradstock served as ATF's Chief Operating Officer. She has also served as Chief Executive Officer of ALTN Houston, LLC since December 2013. Ms. Bradstock has held each position in Atlanta, Georgia.

John Constantine, Director

John Constantine has served as a Member of the Board of Directors of Cresso Brands in Greenville, South Carolina since August 2024. He also has served as Chief Executive Officer of ARCpoint Group since October 2022, as Chief Executive Officer of ARCpoint Corporate Labs, LLC since July 2020 and as Chief Executive Officer of AFG Services, LLC since September 2020. Since February 2016, he has been the Principal and Owner of John A. Constantine Consulting in Atlanta, Georgia. Mr. Constantine has served on the Board of Directors for Africa New Life Ministries since January 2022 in Portland, Oregon. He has also served as the Founder of Umubano Group in Greenville, South Carolina since January 2019. From August 2024 to April 2025, he served as AFG's Chief Strategic Officer in Greenville, South Carolina. From November 2018 to August 2024, he served as AFG's Chief Executive Officer. From February 2017 to November 2018, he served as AFG's Chief Operating Officer.

Adam Blaine Ho, Director

Adam Blaine Ho has served as a Member of the Board of Directors of Cresso Brands since May 2025. He has also served as ARCpoint Inc.'s Interim Chief Financial Officer since May 2025 and Director since October 2022. He has served as Waverunner Capital Inc.'s Director since April 2024. He has also served as Principal of Adamant Communications since June 2006. From November 2022 to January 2024, he served as Hire Technologies Inc.'s Director. From February 2019 to October 2022, he served as RSI International Systems Inc.'s Chief Executive Officer. From August 2016 to October 2022, he served as RSI International Systems Inc.'s Director. From October 2018 to September 2024, he served as Zincore Metals Inc.'s Director. From November 2014 to July 2022, he served as Zincore Metals Inc.'s Chief Financial Officer. Mr. Ho has held each position in Alberta, Canada.

Richard Simeone, Director

Richard Simeone has served as a Member of the Board of Directors of Cresso Brands in Ft. Myers, Florida since August 2024. He has served as General Counsel of LTP Management Group, Inc. in Ft. Myers, Florida since March 2000 and as an Attorney for Richard A. Simeone, P.A. in Ft. Myers, Florida since March 2000.

**ITEM 3
LITIGATION**

Pending Matters:

Rachel DeMara vs. ARCpoint Franchise Group, LLC and Cresso Brands, LLC, American Arbitration Association, AAA Claim No. 01-24-0007-6286. On September 6, 2024, the claimant-franchisee brought an arbitration action against us and our parent, Cresso Brands, alleging inadequate franchise disclosures, failure to comply healthcare laws, and failure to provide various support services. The arbitration demand included claims for misrepresentation, violation of the South Carolina Business Opportunity Sales Act and Unfair Trade Practices Act, fraudulent inducement, breach of contract and declaration that the Franchise Agreement void. On January 31, 2025, we filed an Answer disputing and denying the claims, explaining our compliance with the law, and requesting the arbitrator to dismiss the claims and reimburse our expenses. On February 3, 2025, Claimant voluntarily dismissed Cresso Brands. The parties are engaged in discovery and the arbitration hearing is scheduled for November 10, 2025..

Lawsuits Filed Against Franchisees in 2024:

Enforcement of Non-Compete: ARCpoint Franchise Group, LLC and ARCpoint Holdings, LLC vs. Coastal Med Labs, LLC, George Hutnik, and Maureen Hutnik, U.S. District Court for the District of South Carolina, Civil Action No. 6:24-cv-07721-DCC (December 31, 2024).

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Single Unit Franchise

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$54,500 when you sign the Franchise Agreement. The Initial Franchise Fee is due when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances.

As a member of the International Franchise Association (“IFA”), we participate in the IFA’s VetFran Program. If you are a United States honorably discharged veteran, we will reduce the Initial Franchise Fee by 10%.

You also must pay the Initial Training Fee in the amount of \$7,500 when you sign the Franchise Agreement. The Initial Training Fee covers the tuition for the initial training program described below in Item 11 for you (or, if you are an entity, your principal owner contact), your first full-time medical assistant (or phlebotomist) and your manager (if you have hired a manager). The Initial Training Fee is fully earned upon payment, and there are no refunds under any circumstances.

During our last fiscal year, which ended on December 31, 2024, the Initial Franchise Fees paid ranged from \$39,500 (each for purchase of multiple territories) to \$54,500. The factors that influenced our decision to adjust the Initial Franchise Fee included the number of locations to be opened by the franchisee, if it’s an additional location for a franchisee, the length of time the franchisee had been associated with an affiliate of ours, and the size of the Territory (as defined in Item 12). We reserve the right to take these and other factors into consideration when offering adjustments to the Initial Franchise Fee in the future.

Reduced Initial Franchise Fees Under the MFA

We offer a reduced Initial Franchise Fee for franchisees that develop multiple ARCpoint Labs businesses under the MFA as follows:

Business	Initial Franchise Fee
First	\$54,500
Second	\$49,500
Third	\$44,500
Fourth and Additional	\$39,500

The Initial Franchise Fees paid under Franchise Agreements associated with the MFA are fully earned when paid and are not refundable even if you fail to develop any ARCpoint Labs businesses by the deadlines set forth in the MFA or if any Franchise Agreement subject to the MFA is terminated.

If you sign two or more Franchise Agreements at the same time as the MFA to develop a set number of ARCpoint Labs businesses, you will only pay the Initial Training Fee for the first ARCpoint Labs business that you develop.

ITEM 6 OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	Payable as follows: 7% of Gross Revenue per month with a minimum of \$350 per month (Note 2)	Payable by ACH by the 15th day of each month for the previous calendar month.	Beginning the first full month after your Business opens. Fees will be collected electronically by ACH.
Doctor Referral Fee	Up to \$2 per requisition and/or injection	Payable quarterly by ACH and due by the 15th day of the following month for the previous quarter.	Most tests performed by ARCpoint businesses must be ordered by a physician. We may provide the physician, but you will be required to pay the per-test or per-injection Doctor Referral Fee. If the business is owned by a physician or recruits its own physician, then the physician can refer the test and forgo the Doctor Fee with our prior approval.
Technology Fee	\$300 starting 60 days after signing Franchise Agreement until you commence Lab Operations and \$450 per month thereafter	Payable by ACH by the 15th day of each month for the previous calendar month.	The Technology Fee covers ongoing staff support and maintenance of technology systems. We have the right to increase the Technology Fee; however, the Technology Fee shall not exceed \$600 per month.
National Marketing Fund	Currently 2% of Gross Revenue per month. We may increase this to 3% of Gross Revenue.	Payable by ACH by the 15th day of each month for the previous calendar month.	See Item 11 for additional information regarding the National Marketing Fund.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Local Advertising Requirement	A total of \$15,000 for the first 12 months of Lab Operations; Beginning in the 13th month of Lab Operations, the greater of 3% of your Gross Sales per twelve month period, or \$9,000 per 12 months thereafter)	Monthly	You are required to spend this amount on local marketing, promotion and advertising of your Business. If you fail to meet the Local Advertising Requirement, then you must pay us the difference between what you spent during an applicable month and the Local Advertising Requirement, which we will contribute to the National Marketing Fund.
Advertising Cooperative/ Multi-Area Marketing	1% to 3% of Gross Revenue, if implemented in your market area	Payable monthly by ACH or check due by the 21st day of the month for the previous calendar month.	At this time, there are no Advertising Cooperatives in effect. We reserve the right to implement cooperatives and/or multi-area marketing in other markets in the future. We will have no control on any fees imposed by such cooperatives. If you are not part of a cooperative/multi-area marketing, you are expected to advertise locally in your Territory (see Local Advertising Requirement).
Initial Training for Additional Persons	\$200 per person per day	As incurred	These fees are only incurred if more than three people attend the Initial Training, although we may elect to waive this fee.
Additional Assistance / Onsite Training at Your Location	\$500 per day (two day minimum) plus travel and living expenses (Note 3)	As incurred	Additional charges only incurred for at-location assistance.
Certified Professional Collector Training Fee	\$225 per person attending training, plus our travel expenses (if any)	Time of Training	If you require additional Certified Professional Collector Training or training for more than four people.
DOT Breath Alcohol Technician Training Fee	\$225 per person attending such training, plus our travel expenses (if any)	Time of Training	If you require additional DOT Blood Alcohol Technician Training, or training for more than four people.
Conference or Refresher Training Fees	\$350 per person	As incurred	Payable before you attend the conference. You are also responsible for all travel and living expenses for you and your employees who attend.
Transfer Fee	\$0 - \$7,500 plus any broker / commission fee owed to a broker or consultant (Note 3)	Prior to acceptance of transfer	Payable before you transfer your Franchise Agreement.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Audit	Cost of audit plus 1.5% interest per month on understatement	30 days after billing	We pay all audit costs unless the audit shows an understatement of at least 2% of Gross Revenue for any month.
Late Payment/ Interest	\$100 or 5% per occurrence plus 1.5% interest per month (or, if lower, the maximum interest rate allowed by applicable law)	30 days after due date	Payable on late payments.
Insufficient Funds Fee	\$100 or 5% of the amount due, whichever is greater	Upon demand	Payable if any attempted payment you make to us is returned for insufficient funds.
Costs of Collection	As incurred	Upon demand	You must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees that we incur in connection with your failure to make any required payments
Legal Costs	As incurred	Upon demand	In a legal proceeding between you and us, the prevailing party is entitled to recover from the losing party reasonable attorneys' fees, court costs and expenses.
Insurance	Reimbursement of insurance premiums, plus a 20% administrative fee	Upon demand	Payable if you fail to obtain or provide proof of required insurance and we obtain such insurance on your behalf.
Indemnification	As incurred	Upon demand	You must indemnify and defend us from liabilities arising from your operation of the business or use of our Marks and System in violation of the Franchise Agreement. Liabilities include without limitation accountants, attorney, and expert witness fees, investigation costs, courts costs, and other litigation expenses.
Renewal Fee	\$10,000	30 days prior to renewal	Payable if you renew your franchise for an additional 10-year term.
Computer and Communications Equipment Upgrades and Maintenance	No more than \$1,000 per occurrence	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for software, when we require you to do so.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Onsite Clinical Audit	Cost of audit and inspection (\$600 per day, plus costs and expenses)	As incurred	Payable if conditions necessitate a review to be performed, to include reasonable suspicion that violations of your Franchise Agreement(s) or any federal or state law and/or regulations are occurring or have occurred.
SOCI – Social Media and Local Directory Listings Management	Initial annual fee is \$300 (currently), although the vendor may increase this fee in the future	Annually by the end of May	Required fee for SEO directory listings management. We pay this fee to the vendor.
Liquidated Damages	Average monthly Royalty Fee owed over the 12 month period prior to termination multiplied by the lesser of 36 months or the number of months remaining in the term of the Franchise Agreement	Upon demand	Payable if we terminate the Franchise Agreement due to your default.

NOTES

(1) Unless otherwise noted, all of the fees or charges described in this Item derive from the Franchise Agreement and are non-refundable, payable to us, and generally are uniformly imposed on all franchisees receiving this offering. However, in certain unique circumstances, we may reduce or waive a fee for a particular franchisee. We require electronic withdrawal of monthly fees and payments from your bank account.

(2) “Gross Revenue” means the total of all receipts derived from services performed or products sold by the Business, wherever located and directly or indirectly related to the Business, whether through Lab Operations or Onsite/Online Operations, whether or not sold or performed at or from the Premises, whether the receipts are evidenced by cash, credit, checks, gift certificates, coupons, services, property, or other means of exchange and regardless of collection in the case of credit. Gross Revenue excludes sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that you realize no revenue, and employee receipt of services or products, if free, or any portion not paid for by an employee.

(3) Upon request, trainers may be scheduled for onsite training. We will charge you this fee only if you require additional assistance at your Business location. We may increase or decrease this fee at any time. You are also responsible for any travel and living expenses for any representative that visits your Business.

(4) You do not have to pay a Transfer Fee if you transfer your Business to a corporation or limited liability company in which your owners are the majority owners, or if you transfer your Business

to an adult child, parent, sibling, or spouse of an owner. You will pay a reduced Transfer Fee of \$3,750 if you transfer your interest in the Franchise Agreement to another approved franchisee of ours. If the transfer includes a prospective franchisee introduced by a broker or a consultant, the Transfer Fee you pay will include any commission and/or other payment owed to the broker or consultant.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
SINGLE ARCPOINT LABS BUSINESS

Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee (2)	\$54,500	\$54,500	Lump sum	Upon Signing Franchise Agreement	Us
Initial Training Fee (2)	\$7,500	\$7,500	Lump sum	Upon Signing Franchise Agreement	Us
Travel and Living Expenses (per person) (3)	\$1,000	\$5,425	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate and Improvements (4)	\$20,000	\$80,000	As agreed	As Incurred	Lessor, Contractors
Office Furniture, Fixtures & Equipment (5)	\$500	\$8,000	As agreed	As Incurred	Third Parties
Décor Items (6)	\$2,000	\$6,000	As agreed	Before Beginning Lab Operations	Vendors
Computer Equipment, Software, and Telephone System (7)	\$2,550	\$5,500	As agreed	As Incurred	Vendors
Testing Equipment (8)	\$1,500	\$4,000	As agreed	As Incurred	Approved Suppliers
Insurance (9)	\$4,500	\$24,495	As agreed	As Incurred	Insurance Company/ Agent
Signage (10)	\$2,000	\$7,000	As agreed	Before Beginning Lab Operations	Vendors
Legal & Accounting Fees (11)	\$4,500	\$9,000	As incurred	As Incurred	Vendors
Initial Inventory (12)	\$10,750	\$22,500	As agreed	Before Opening	Approved Suppliers
Business Licenses & Permits	\$100	\$2,000	As incurred	Before Beginning Lab Operations	Government Agencies
Dues, Subscriptions, and Memberships (13)	\$300	\$2,500	As incurred	As Incurred	Vendors

Expenditure (1)	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Additional Funds – 6 Months (14)	\$54,000	\$72,000	As agreed	As Incurred	Landlord, Us, Employees, Vendors
TOTAL (15)	\$165,700	\$310,420			

NOTES

- (1) Estimated Initial Investment. The above are estimates of a franchisee's total initial investment in one ARCpoint Lab Business, including both Onsite/Online Operations and Lab Operations. Fees paid to vendors or other suppliers may or may not be refundable, depending on their policies or your arrangements with them. In certain circumstances, you may be required to travel to customer locations in a vehicle that contains removable signage. We do not require any certain type of vehicle for this use. If you do not own a vehicle, you may be required to buy, lease, or rent one. These costs are not included in the above table.
- (2) Initial Franchise Fee and Initial Training Fee. Your Initial Franchise Fee and Initial Training Fee will be due upon signing the Franchise Agreement and are fully earned upon payment. As noted in Item 5, we reduce the Initial Franchise Fee for franchisees developing their ARCpoint Labs businesses under a MFA. We will not refund the Initial Franchise Fee, the Initial Training Fee, or any other fees under any circumstances.
- (3) Training Travel and Living Expenses (per person). You will be responsible for transportation, food, and lodging expenses while attending our initial training program in Atlanta, Georgia. The total cost will vary depending on the number of people attending, how far you travel, and the type of accommodations you choose.
- (4) Rent or Real Estate and Improvements. If you do not own adequate space for an approved site, you must lease the space for your Business. Generally, this will include first and last months' rent, plus a security deposit. Typical locations for ARCpoint Labs businesses are retail strip centers, shopping centers with large anchor stores or on streets with heavy traffic traveling to malls and office buildings. The typical size of a Business is 550 to 1,500 square feet. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated by all involved parties; however, we require you to include certain lease provisions.
- (5) Office Furniture, Fixtures & Equipment. This includes a fax machine, copier, calculator, office chair, trash can, file cabinet, microwave, safe, cash box, time clock, two refrigerators, paper shredder, two storage carts, etc.
- (6) Décor Items. Decorations may include the designated "look" and "feel" of ARCpoint Labs businesses including a desk, dividers, branded artwork and promotional signage, clock, etc.
- (7) Computer Equipment, Software, and Telephone System. While we do not require any specific vendors for computer, Internet connectivity, and communications equipment, we require that you meet certain minimum standards established periodically in the Manual. You will be required to purchase a PC or Mac as specified in the Manual for use in the operation of your Business. This will include a monitor, keyboard, mouse and printer. You will be required to purchase software as described in the Manual. If you plan to participate in serving clients who use FormFox, or eScreen an iPad with specifications for e-signature and a bar code scanner will be required. This estimate also includes a two-line phone system as well as two telephones with voicemail.

- (8) Testing Equipment. You will be required to purchase various testing equipment, including, without limitation, a Breath Alcohol Testing Instrument. All testing equipment must be purchased from an approved supplier.
- (9) Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require in your Franchise Agreement, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of an ARCpoint Labs business, your rates may be significantly higher than those estimated above. The estimate contemplates insurance costs for six months.
- (10) Signage. Signage will vary from location to location based upon local ordinances and standards set by your landlord and the type of unit you operate. The costs include, but are not limited to, exterior signs. All signs must be pre-approved by us prior to your purchasing them for the lab.
- (11) Legal & Accounting Fees. These fees will be paid by you in order to hire an attorney and an accountant to assist with the formation of your legal entity, to review this disclosure document and to review your proposed lease agreement.
- (12) Initial Inventory. You must purchase various initial inventory, including, without limitation, certain test kits and personal protective equipment. All initial inventory must be purchased from our approved suppliers.
- (13) Dues and Subscriptions. You, your Designated Manager, or, if you are an entity, your Managing Owner, must become members of the National Drug & Alcohol Screening Association (“NDASA”) for at least the first year you operate your Business. We also strongly recommend joining your local Chamber of Commerce, the Society for Human Resource Management, and/or other local business networking organizations. These expenses are typically not refundable.
- (14) Additional Funds. This is estimate of your additional initial start-up expenses for the first six months of your Lab Operations. These expenses include rent and lease deposits, payroll costs, local advertising, fees paid to us such as Royalty Fees, Technology Fees, and National Advertising Fund contributions, and other operating costs but not any draw or salary for you. We estimate that most, if not all, of these expenses will not be incurred until after you begin your Lab Operations.
- (15) Totals. We relied on more than 18 years of experience in the laboratory services business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate your Business, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

**YOUR ESTIMATED INITIAL INVESTMENT
UNDER A MULTI-FRANCHISE ADDENDUM FOR
TWO TO FIVE ARCPOINT LABS BUSINESSES**

Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Total Estimated Initial Investment for one ARCpoint Labs business (See table above)	\$165,700	\$310,420			

Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee for 2-5 ARCpoint Labs businesses ⁽¹⁾	\$49,500	\$173,000	Lump Sum	On Signing Franchise Agreement	Us
TOTAL	\$215,200	\$483,420	(Excludes any costs associated with developing individual ARCpoint Labs businesses for units 2-5) ⁽²⁾		

NOTES

- (1) When you sign MFA, you will be required to sign Franchise Agreements for the number of ARCpoint Labs businesses that you commit to develop and to pay the Initial Franchise Fee for each committed ARCpoint Labs business. This estimate assumes that you will commit to develop between two and five ARCpoint Labs businesses. For your first Franchise Agreement, the initial franchise fee is \$54,500, and is included in the initial investment for your first ARCpoint Labs business.
- (2) For your second Franchise Agreement, the initial franchise fee is \$49,500. For your third Franchise Agreement, the initial franchise fee is \$44,500. For your fourth and fifth Franchise Agreement, the initial franchise fee is \$39,500.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

We require that you establish and operate your Business in compliance with your Franchise Agreement. You must strictly follow our product and service specifications detailed in the Manual we provide to you or other written materials from us, which we may modify from time to time, and which may be in print or electronic format. We require you to use an electronic version of the Manual and will require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, customer recognition, advertising support and availability to be furnished to the public in connection with our Marks. In operating the Business, all products and supplies must conform to our standards and specifications which have been established through years of experience. In the future, we may modify our product and service specifications.

The following two sentences may be applicable in your particular state: “The corporate practice of medicine doctrines restrict layperson-franchisees from dictating the medical equipment and supplies related to clinical testing to be used in the operation of this franchised business. These sorts of decisions must be made by a licensed medical professional.”

Required Purchases

You must purchase specified products, procure all equipment, inventory, signage, fixtures, furniture and décor items required for the operation of your Business from our approved suppliers. We will provide you a list of approved vendors or suppliers for these items. Not all products and services are available in all locations. Currently, we are not an approved or designated vendor or supplier of these required purchases, although we or an affiliate reserve the right to do so in the future, in which case you will pay the then-current price in effect for goods or services purchased from us or an affiliate.

As of the date of this disclosure document, your required purchases include:

- (1) you may use only marketing and promotional materials that meet our standards. You also must use our approved advertising agency as well as our approved location listings management service, SOCI;
- (2) you are required to utilize the services from our required or preferred lab testing partners to ensure the quality and efficacy of the lab testing services and to get volume discounted pricing for all Businesses. Currently we use qualified national or regional laboratories to perform the analysis of blood, urine, saliva, and buccal swab samples for tests for your customers. Unapproved laboratories or injectables suppliers are not permitted without our prior approval as reflected in Approval of Suppliers, below;
- (3) you are required to purchase your outdoor store sign from our approved vendor as part of our agreement to get volume discounted pricing for all Businesses. We will consider your use of another sign vendor if you find a more competitive price while still matching the quality of the product and service;
- (4) you are required to use our approved vendor for all background checks as part of our agreement to get volume discounted pricing for all Businesses; and
- (5) you are required to purchase our technology platforms for your Business, including computer hardware and software. As of the date of this disclosure document, you are required to purchase a computer system to facilitate day-to-day lab operations. The basic requirements of this system include e-mail access, accounting (which includes point of sale capability), cloud-based customer results portal, record and file keeping capabilities as well as word processing for letters and other documents. You also are required to use our LEO point of sale, scheduling and results portal, WooCommerce, Constant Contact, Pricing Portal, and Quickbooks Online. We may in the future establish different sales reporting systems and CRM systems as we consider appropriate for the accurate and expeditious reporting of Gross Revenue and other financial information. In such event, you must fully cooperate with us in implementing any such system at each Business and at your expense equip your Business with such sales recording devices as we may require.

NDASA Networking Organizations

You, your Designated Manager, or, if you are an entity, your Managing Owner, must become members of the National Drug & Alcohol Screening Association (“NDASA”) during the first year after the signing of your Franchise Agreement. We recommend that you continue your NDASA membership and attend the NDASA conference annually thereafter. You are responsible for the costs of the conference, including, but not limited to, lodging, transportation, food, salary, and any course materials. We also strongly recommend you join your local Chamber of Commerce, and any other local business networking organizations that we specify.

Insurance

You must maintain insurance policies in types and amounts as specified by us periodically in the Manual, including, but not limited to the following:

- A. Workers’ Compensation and Employer’s Liability- Statutory Workers’ Compensation and Employer’s Liability of \$1,000,000/\$1,000,000/\$1,000,000;
- B. General Liability Occurrence Based - \$1,000,000 per occurrence, \$3,000,000 aggregate (per location) for bodily injury and property damage, including broad from contractual liability. Coverage must

insure you, and name us as an additional insured against all claims, suits, obligations, liabilities, and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Business. The policy must also stipulate that we shall receive a statutory notice of cancellation;

C. Medical Professional liability coverage - Occurrence based - insuring you, your medical professional and us with coverage limits of \$1,000,000 per claim and \$3,000,000 aggregate. The policy must cover all services provided and the policy must also stipulate that we shall receive a 30-day prior written notice of cancellation;

D. Data Breach coverage in an amount not less than \$500,000 insuring both you and us, against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged data breach or cybercrimes relating to the use or condition of the Business. The policy must also stipulate that we shall receive a 30-day prior written notice of cancellation;

E. Fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood (if the Business is located in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Business and all fixtures, equipment, supplies and other property used in the operation of the Business, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted;

F. Such additional insurance as may be required by the terms of any lease or mortgage for the Business;

G. Non-Owned Automobile Liability, having limits no less than \$1,000,000 and no less than required under your state's laws; and

H. Such additional insurance as required by us based on customary industry practices at such time.

All insurance providers must be rated "A" by A.M. Best's guide. Certificates of Insurance evidencing such coverages must be provided to us upon annual renewal of the insurance coverage, as well as at any time upon our request. The policies must also stipulate that we will receive a 30-day prior written notice of cancellation. In the event you fail to obtain or provide proof of the required insurance and keep the same in full force and effect, we may (but are not required to) obtain such insurance on your behalf, and you shall immediately reimburse us for such cost.

Telemedicine/Augmented Medicine

You may purchase virtual medical services using diagnostic tools and procedures performed by a telepresenter, under the direct supervision of a distant provider, including DOT physicals, other clearance physicals, and virtual doctors' visits of other types from our designated approved supplier.

Third Party Administration of Program Management

You must use either our approved software for third-party administration of program management services, including transmission of protected health information ("PHI") and personally identifiable information ("PII"), storage of PHI and PII, storage of other patient records, communication of results with patients, and communication of results with physicians, physician groups, and applicable employers.

Clinical Authority and Oversight Services

You must purchase the following services, which are designed to ensure that all patient records are reported and maintained correctly:

- Account setup and maintenance with our approved laboratory partners and clinical vendors
- Account setup and maintenance of SharePoint and my.arcpointlabs/MAPL (or other emergent technology) (collectively, “Clinical Authority and Oversight Services”).

Our affiliate, ARCpoint Group, is an approved supplier (but not the only approved supplier) of Clinical Authority and Oversight Services, administrative, customer service, software as a service, data management, and general purchasing services. Prior to January 1, 2025, AFG Services, LLC was an approved supplier of these services. During the year ended December 31, 2024 our affiliate, AFG Services, LLC, derived \$470,877 in revenue from the sale or lease of products or services to our franchisees, which included customer service, administrative, clinical, software and support services, to the franchisees and their accounts. This information was derived from AFG Services, LLC’s unaudited financial statements.

We estimate that about 10% to 15% of your expenditures for leases and purchases in establishing your ARCpoint Labs business will be for goods and services that must be purchased from an approved supplier, or in accordance with our standards and specifications. We estimate that 10% to 15% of your expenditures on an ongoing basis will be for goods and services that must be purchased from an approved supplier, or in accordance with our standards and specifications.

John Constantine and Adam Ho, who are members of the Board of Directors of Cresso Brands, are owners of ARCpoint Group and AFG Services, LLC, which are and were, respectively, approved technology suppliers to ARCpoint Labs businesses. Our officers do not own interests in any other approved suppliers of products and services to our franchisees.

You must purchase the above products and services, supplies and equipment under specifications and standards that we periodically establish either in the Franchise Agreement, Manual or other notices we send to you from time to time. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, equipment or service.

Approval of Suppliers

If you would like to purchase these items from another supplier, you may request our “Supplier Approval Criteria and Request Form.” Based on the information and samples you supply to us, we will test the items supplied and review the proposed supplier’s business reputation, delivery performance, credit rating and other information at no cost to you. This approval criterion is available to you upon request. We expect to complete our review and advise you of our decision within 30 days after you submit the required information. The specifications and standards for these required purchases are in the Manual. We reserve the right to review our approval of any items or suppliers. You acknowledge and agree that we may revoke our approval of any item, service or supplier at any time and in our sole discretion by notifying you and/or the supplier. Nothing requires us to approve any particular supplier, good or service.

We do not currently have any purchasing or distribution cooperatives as of the date of this disclosure document. We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our franchisees in the future and we may receive rebates or volume discounts from our purchase of products that we resell to you. We do not provide or withhold material benefits to you (such as renewal

rights of the right to open additional Businesses) based on whether or not you purchase through the sources we designate or approve, however, purchases of unapproved products from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 10.02 & 10.03	Items 7, 8, 11 and 12
(b) Pre-opening purchases/leases	Section 10.03 & 12.06	Items 5, 7, 8 and 11
(c) Site development and other pre- opening requirements	Section 10	Items 7, 8 and 11
(d) Initial and ongoing training	Section 8	Items 5, 6, 7 and 11
(e) Opening	Section 10.05; Section 1 of MFA	Item 11
(f) Fees	Sections 5, 9.05 & 9.06; Section 2 of MFA	Items 5, 6 and 7
(g) Compliance with standards and policies/operating manual	Sections 2.02, 10.04, 12.02, 12.06, 12.07, 12.11, & 12.12	Items 8 and 11
(h) Trademarks and proprietary information	Sections 6 and 7	Items 13 and 14
(i) Restrictions on products/services offered	Section 12.05	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Sections 8 and 12	Not Applicable
(k) Territorial development and sales quotas	Section 4 and Attachment I	Item 12
(l) On-going product/service purchases	Sections 12.06 & 12.07	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Section 12.12	Items 8, 11
(n) Insurance	Section 12.10	Items 6, 7 and 8
(o) Advertising	Section 9	Items 5, 6, 7, 8 and 11
(p) Indemnification	Sections 12.15 & 17.02	Item 6
(q) Owner's participation/ management/staffing	Section 12.03	Items 11 and 15
(r) Records and reports	Section 11	Items 1, 6, 11 and 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
(s) Inspections and audits	Sections 11.04 & 12.04	Items 6 and 11
(t) Transfer	Section 14	Item 6 and 17
(u) Renewal	Section 3	Item 17
(v) Post-termination obligations	Section 13	Item 17
(w) Non-competition covenants	Sections 7.03, 15.01 and Attachment V	Items 15 and 17
(x) Dispute resolution	Section 16	Item 17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before you begin your Business, ARCpoint Franchise Group, LLC will:

1. Provide you access to our confidential Manual, which contains mandatory and suggested specifications, standards, operating procedures, required and preferred vendors and other rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.02 of the Franchise Agreement.) We have included a copy of the Table of Contents of our Manual as Exhibit F to this Franchise Disclosure Document. The Manual contains 213 pages.

2. Provide advice about selecting and analyzing a site for the Lab Operations of the Business. Your site must be at least 550 to 1,500 square feet. Site selection is your responsibility, but we must approve your selection and we will assist you in the location selection process by considering population density, traffic patterns, demographics, and proximity of the proposed site to other Any Lab Test Now businesses or any other reasonable criteria. You must complete our form of site description and deliver any traffic, competition, demographic and similar site information related to the proposed site that we reasonably request. You must obtain our written acceptance of the site within six months of signing the Franchise Agreement. (See Section 10.02 of the Franchise Agreement.)

3. Provide a general outline on what you should consider in looking to lease or purchase a location for your Business. It is not our practice to own locations and lease them back to franchisees. Upon acceptance of a site that meets our requirements, you must either have your landlord execute our lease addendum (“Lease Addendum”) attached to the Franchise Agreement at Attachment VI or incorporate the terms of the Lease Addendum into the lease for the Premises. (See Section 10.03 of the Franchise Agreement.)

4. Provide you with our standard sample floor layouts and architectural plans. We will approve or disapprove your plans for the design of your Business within 30 days of submission. You must

pay for construction or remodeling and all other costs associated with compliance and permits. (See Section 10.04 of the Franchise Agreement.)

5. We will advise you regarding equipment, signs, fixtures, opening inventory, supplies, and the recruitment of a licensed medical provider to oversee the medical needs of the Franchised Business. (See Section 10.05 of the Franchise Agreement.)

Opening the Business

1. Within 60 days of signing the Franchise Agreement, you must commence operating the Business in the Territory for Onsite/Online Operations. We estimate that the typical time between signing the Franchise Agreement and opening your Onsite/Online Operations is between 30 to 59 days. Failure to open for Onsite/Online Operations within the specified time frame, may result in termination of the Franchise Agreement, and we will retain all monies collected. During such Onsite/Online Operations, you be responsible for diligently performing your remaining obligation to open the Franchised Business at the Premises for the operation of Lab Operations. You may not perform patient collections or other laboratory services at any site or location other than the Premises approved by us or on-site at the client's or approved third parties' location. (See Section 10.01 of the Franchise Agreement.)

2. It is estimated that the length of time between the signing of the Franchise Agreement and the opening of the Lab Operations of your Business will usually be about four to twelve months depending upon the location. Factors affecting this length of time include financing arrangements, property lease terms, construction or conversion requirements, and scheduling and completion of the training program. Failure to open for Lab Operations within 270 days after signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received. (See Section 10.05 of the Franchise Agreement.)

During the operation of the franchised business, ARCpoint Franchise Group, LLC will:

1. Offer you a reasonable amount of continuing advisory services by telephone during normal business hours. We may also provide to you visits by our field representative, but any additional on-site consultation or advisory services you request may incur a fee. (See Sections 8.04 of the Franchise Agreement.)

2. We will include information about your Business on our web site. (See Section 9.04 of the Franchise Agreement.)

3. We may implement a centralized purchasing system for you and negotiate prices and terms with suppliers. We may receive rebates from the suppliers for these purchases. (See Section 12.06 of the Franchise Agreement.)

4. We may establish, if permitted by applicable law, minimum and maximum prices for products and services that you will offer to customers in connection with the Franchised Business, including resale prices for use with multi-area marketing programs and special price promotions. If we do not establish such pricing requirements, then you will determine the prices you will charge without our assistance. (See Section 12.08 of the Franchise Agreement.)

5. We may hold periodic regional or national conferences to discuss on-going changes in the industry, operational techniques, product and service developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. You are required to pay a registration fee and all expenses relating to your travel, food and lodging for you

and your employees. These conferences will be held at our corporate headquarters or at another location chosen by us. We estimate the cost of the registration fee to be no more than \$350 per person. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than \$350 per person. You must pay all of the travel and living expenses for you and any other employees who attend. (See Section 8.03 of the Franchise Agreement.)

6. Provide marketing and sales strategies, plans, creative files, message and other promotional materials and services to you. Materials provided may include brochures, web banners, posters, direct mail pieces, sales and marketing presentations, flyers and other forms of sales and marketing materials. You will receive the electronic files at no charge and have the option to print materials using our recommended printer or a local printer of your choice. We may use both outside advertising and marketing agencies and internal staff to create advertising. Online Pay-per-Click marketing activities will be conducted and facilitated through our required Pay-per-Click vendors, which may utilize information derived from campaigns for your location for the benefit of other stores across our franchisee network. (See Section 9 of the Franchise Agreement.)

Training Programs

Initial Training Program. Within 60 days prior to the commencement of your Onsite/Online Operations, or any other time as may be mutually agreed upon, we will train you (or if you are an entity, your principal owner contact), your first full-time medical assistant (or phlebotomist) and your Manager (as defined in Item 15), if you have hired your Manager, as follows:

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Onboarding	20*	0	Via telephone, email, and/or web-based methods *Varies depending on background/experience of franchisee
Background Screening, Toxicology, DNA Methodology, Collection, and Testing Procedures	10	4	At our corporate headquarters in Atlanta, Georgia or via telephone and/or web-based methods and at your Business during your Operations Visit
Breath Alcohol Technician and Certified Professional Collector Training and Certifications	4 (per owner/staff per certification training) *	0	Conducted virtually when all prerequisites are completed
Business Planning, B2B Proposals, and Operations	24	16+	At our corporate headquarters in Atlanta, Georgia or via telephone and/or web-based methods + At your Business during your operations visit

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Sales and Marketing	8	0	At our corporate headquarters in Atlanta, Georgia or via telephone and/or web-based methods
Totals	66	20+	

Certified Professional Collector (“CPC”) Training. You and all of your employees providing specimen-collection services must complete the CPC training and certification, including exams, as well as mock collections and proficiency demonstrations for DOT collections, to our satisfaction before being qualified to commence operating your Business. The Initial Training Fee covers the CPC training and certification for four people and is typically completed during the initial training program. Additional employees must be scheduled to be CPC trained and certified at another time and at our then-current fee per additional employee (which is currently \$225), plus any travel expenses incurred by us, if applicable.

Breath Alcohol Technician (“BAT”) Training. You and all of your employees providing services must complete the BAT training and certification, including exams, as well as the mock collections and proficiency demonstrations for DOT collections to our satisfaction before being qualified to commence operating your Business. The Initial Training Fee covers BAT training and certification for four people and is typically completed during the in-person initial training program or by interactive, web-based methods. Additional employees must be scheduled to be BAT trained and certified at another time and you must pay our then-current fee per additional employee (which is currently \$225), plus any travel expenses incurred by us, if applicable

Our trainers include the following:

NAME	TITLE	YEARS OF TRAINING EXPERIENCE WITH US	YEARS OF TRAINING EXPERIENCE WITH OTHER BUSINESSES
Kelly Cromptvoets	Interim President	4 months	25 years
Anna Vanhooose	Director of Operations and Administration	5 years	4 years
Kisty Lee	Marketing Manager	4 years	80
Crissy McDowell	HR and Marketing	1.5 years	15
Jamie Welch	VP of Strategic Initiatives	3 years	5
Yvette Grace	Accounting Operations Manager	2 years	0 years
Kethania Glenn	Clinical Operations Manager	1 year	3 years
Kyler Welch	Franchise Business Coach	0 years	8

Existing franchisees of ARCpoint Labs businesses may also participate in providing training to new franchisees.

Initial Training

Initial Training, which will occur prior to beginning your Onsite/Online Operations, includes: 1) Online Training; 2) Orientation; 3) In Person Training; and 4) Owner Lab Shadowing. Online Training

typically begins within ten days of you signing the Franchise Agreement and concludes with New Owner Lab Shadowing, which typically occurs within about 60 days before you begin Onsite/Online Operations of your ARCpoint Labs business. The overall timing and length of training can vary depending on your background, specific needs, etc.

Online Training – This is a combination of self-paced online and/or video training and live webinars that generally focuses on drug, alcohol, and DNA testing and collection procedures and associated methodologies, marketing, sales, accounting, and business operation software/tools, and an overview of our clinical program. You may be required to complete online exams for the topics covered to our satisfaction prior to moving on to the next portion of the training. You and your employees may watch and review this comprehensive segment of training at your leisure, and do so as many times as you like, both now and in the future.

In-Person Training – This training consists of four to five mandatory days of training in our corporate headquarters or online via our virtual training program. Depending on need, we typically conduct our In-Person Training over the course of one week every other month. Though it may vary depending on the specific needs of the new franchisee, In-Person Training generally consists of “hands-on” instruction and practice in various areas, to include “mock” toxicology collections, franchisee/client role-play, business proposal templates, and the use business and accounting software/tools, as well as live observation of our affiliate ARCpoint Labs business(es) and CPC certifications for attendees. Typically, franchisees attend In-Person Training within about 60 days before you begin Onsite/Online Operations of your ARCpoint Labs business. You must pay for all travel, lodging, and related expenses for Required Trainees to attend In-Person Training.

Additional Training

Operations Training Visit

One member from our operations team will visit the site of your ARCpoint Lab Business in-person to assess, train, and advise on your operational organization. Typically, this training visit will occur within 30 days prior to beginning Lab Operations. During this visit, the Required Trainees will perform mock collections training, which will certify attendees as ARCpoint-certified BAT and CPC. You must purchase, and have available at this training, a franchisor-approved Breath Alcohol Device, and will only be certified on this device. If you unilaterally cancel or re-schedule your training visit, you will be billed any direct costs and expenses incurred by us at the point of your cancellation. You will also be billed at our then-current rate (currently \$75) per hour during any on-the-job training in which our services are requested or used for more than the number of hours or people described above. Your Initial Training Fee will cover the cost of training for up to four individual attendees. If you need additional visits in order for all Required Trainees to receive this training, then you will be billed the rates set out below for training additional employees.

Training for Additional Employees

After your Required Trainees are trained, you are required to ensure that all additional employees working in any ARCpoint Labs business that you open are fully trained in the area in which they work. All employees must be fully qualified to work in your ARCpoint Labs business and must be trained by ARCpoint certified trainers, except for administrative and clerical employees.

All employees providing specimen-collection services must complete the ARCpoint video training series, including exams and the mock collections and proficiency demonstrations for DOT collections, which will be accomplished through us, via interactive, video-based methods, unless otherwise arranged,

and attendees must complete the training to our satisfaction before being qualified to work in your ARCpoint Labs business.

Except for any expenses, all training for additional employees must be paid in advance of the training. Below are the specific training charges for any additional employees:

1. Online Training – We provide this training at no charge to you. This on-demand series is yours to keep and use as many times as you would like for all employees (as stipulated above) now and in the future. However, your employees cannot provide collections for your ARCpoint Lab Business without being certified by our certified trainer through the satisfactory performance of mock collections/proficiency demonstrations and the completion of the BAT, as outlined in (2) and (3) below.

2. CPC Training & Certification – Because of its complexity and hands-on nature, we limit this portion of the training to up to four people during a single training session. The cost is \$225 for each person. (See Section 3.2.2 of the Franchise Agreement).

3. BAT Training & Certification – Because of its complexity and hands-on nature, we limit this portion of the training to up to four people during a single training session. The cost is \$225 for each person. (See Section 3.2.3 of the Franchise Agreement).

4. Should you request any of the above-described additional employee training to be performed live at your location, you will be billed our then-current rate, currently \$125 per hour, with an 8-hour minimum charge, plus all travel expenses, including flights, mileage, lodging, and food, in addition to the price of the training itself. For an extension of time during normal training hours, you will be billed at the rate of \$125 per hour. (See Section 8.5 of the Franchise Agreement).

Supplemental Training

From time to time, we may require that you (or if you are an entity, your Managing Owners), your Designated Managers, and other employees that we designate attend system-wide refresher or additional training courses. Some of these courses may be optional while others may be required. We reserve the right to charge a reasonable supplemental training fee for any refresher or additional training courses you take. If we conduct an inspection of your ARCpoint Labs business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. If you are required to attend remedial training, we reserve the right to charge the higher of (i) the cost of the training program you are re-taking and (ii) a reasonable supplemental training fee. You may also request that we provide additional training (either at corporate headquarters or your ARCpoint Labs business), and we may agree to provide such additional training at an additional cost.

In addition to participating in ongoing training, you must attend our meetings of all franchisees, usually held every one to two years, at a location we designate. We reserve the right to charge a fee for franchisees to attend these meetings. Currently, the fee to attend these meetings is up to \$450 per person. In addition, we will charge you the fee for each person who is required to attend a franchisee meeting and fails to do so. You are responsible for all travel and expenses for your attendees.

Additionally, you, your Designated Manager, or, if you are an entity, your Managing Owner, must become members of the NDASA during the first year after the signing of your Franchise Agreement. We recommend that you continue your NDASA membership and attend the NDASA conference annually thereafter. You are responsible for the costs of the conference, including, but not limited to, lodging, transportation, food, salary, and any course materials. We also strongly recommend you join your local Chamber of Commerce, and any other local business networking organizations that we specify.

Advertising Programs

Local Advertising Requirement

You must spend: (i) throughout the first 12 months of Lab Operations, at least \$15,000 for mandatory advertising and marketing expenses (these expenses may include, but may not be limited to, online marketing (website management), Pay-Per-Click, Ad campaigns, Google Ad Words campaign, social media management, organic search engine optimization, sales promotional start-up package, sales leads, target marketing list purchase, grand opening package, and lab start-up package and public relation marketing, which builds mutually beneficial relationships), at our direction; and (ii) beginning with the 13th month of Lab Operations, the greater of \$9,000 or 3% of the Gross Sales of the Franchised Business during each 12-month period, on advertising and marketing expenses (“Local Advertising Requirement”). If you fail to meet the Local Advertising Requirement, you must pay us the difference between what you spent during the applicable 12-month period and the Local Advertising Requirement, which will be contributed to the National Marketing Fund.

Local advertising, marketing, and promotion expenses shall include only those out-of-pocket costs directly associated with the pre-approved development, production, placement, procurement of printed materials or advertising space or time dispersed or disseminated in by you in the Territory. Directly associated, out-of-pocket costs for payment of marketing or advertising professionals, postage, printing, copying, long-distance phone calls, attendance or participation in local events meant to promote the business (including any hosted at the Business), and any other pre-approved costs and expenses shall also be included as out-of-pocket costs. Any costs or expenses not specifically listed in the Manual must be pre-approved by us. You must account to us for all amounts spent for local advertising and marketing. (See Franchise Agreement, Section 9.02)

We have the exclusive right to control all internet-based marketing and other activity. You cannot independently implement a Pay-Per-Click online advertising campaign without prior approval and you are required to conduct Pay-Per-Click marketing campaigns in conjunction with our required Pay-Per-Click marketing partners. Subject to our prior written approval, you may be allowed to create a blog or other web-based marketing tactic, but any such blog or tactic must be location-specific, must only mention your Business’s location/name/territory and must include language, in acceptable size and font stating: “For a complete listing of all locations, please visit www.arcpointlabs.com”. All blog content must be pre-submitted to a member of our Marketing Department for review and approval. Any such approval shall be at our sole discretion. You must follow our blogging and social media policy as outlined in the Manual. We will maintain ARCpoint Labs Web pages for your location which will include information regarding your Business. Content changes to your Web page will be made by us at your request. (See Franchise Agreement Section 9.04.)

National Marketing Fund

We have established a National Marketing Fund in which you must participate. Currently, you must contribute 2% of the Gross Revenue of your Business to the National Marketing Fund at the same time and manner as the Royalty Fee. We may increase this to 3% of Gross Revenue. We will hold the National Marketing Fund contributions in a separate bank account which will be administered by our marketing and accounting staff, however we reserve the right to use an outside advertising agency in our discretion. All Affiliate-Operated ARCpoint Labs businesses will be required to contribute to the National Marketing Fund on the same basis as comparable franchisees.

We will use the National Marketing Fund for local, regional, or national advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media

or agency costs. Advertising may be in the form of print, social media, Pay-Per-Click, or any other media we deem appropriate in our sole discretion. We will not derive income from the National Marketing Fund, but we may reimburse our administrative and overhead expenses incurred in administering the National Marketing Fund (including the compensation of our employees working with the National Marketing Fund and for related accounting, bookkeeping, reporting, legal and other expenses. We may also use the funds to offset or partially rebate local franchisee media and printing expenses.

Advertising expenditures from the National Marketing Fund may or may not be proportionate to your contributions or provide direct benefit to you or any other particular franchisee. We are not required to spend any minimum or maximum amount in your area or Territory. We will spend the National Marketing Fund in our discretion, and we have no fiduciary duty to you regarding the National Marketing Fund. We may accumulate these funds, and the balance may be carried over to subsequent years. If the National Marketing Fund operates at a deficit or requires additional funds at any time, we reserve the right to loan such funds to the National Marketing Fund on any terms we determine. An unaudited annual financial statement of the National Marketing Fund will be prepared within 120 days of the close of our fiscal year and will be available to any franchisee upon request. (See Franchise Agreement Section 9.06.)

In fiscal year 2024, 60% of the National Marketing Fund was used for production of advertising and promotional materials, 32% was used for administrative expenses, and 8% was used for other items including publicity efforts.

Advertising Cooperatives / Multi-Area Marketing

You may be required to participate in Advertising Cooperatives and/or Multi-Area Marketing within a specified area. There are no Advertising Cooperatives currently in effect; however, we reserve the right to implement a Cooperative in an area which may include your Business in the future, and, once implemented, you will be required to participate in an amount not to exceed 3% of your monthly Gross Revenue. Any contributions made to the Advertising Cooperative / Multi Area Marketing fee will be in addition to any contributions due to the National Marketing Fund. You will have the first right to provide services which are mandatory elements of the System to any customers within your Territory (if applicable). We may require you to pay a referral fee and/or participate in a revenue sharing arrangement for any customers generated by multi-area marketing. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs. Company owned outlets would have no control on any fees imposed by franchisee cooperatives. (See Franchise Agreement Section 9.05.)

Franchise Advisory Council

We have not established an advertising council with sole responsibility to advise us on advertising policies, however, as further described in Item 20 we have established an ARCpoint Franchise System National Advisory Council (“NAC”). One role of the NAC is to provide us with input on advertising and promotional activities.

Computer System

You are required, at your expense, to purchase or lease, and thereafter maintain and upgrade and use, only such computer(s), hardware (including laptops), software (including point-of-sale, financial reporting and operational drug testing software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as we specifies in the Manual or otherwise in writing (collectively the “Computer System”).

You must purchase a computer system that consists of the following hardware and software: (a) two business class computers with professional operating systems, at least one of which must be a laptop computer; a compatible web camera capable of online webinar streaming video; inkjet or laser printer; a business class high-speed Internet at your retail business location; and (b) approved operational software; approved financial reporting software; and the latest version of QuickBooks Online, which must be maintained and used for your official set of financial records and bookkeeping. We do not require a certain make or model of computer hardware, but it does need to be business class hardware and capable of accommodating currently available software. We estimate the cost of purchasing the Computer System will be between \$2,550 and \$5,500. (See the Manual and Section 12.16 of the Franchise Agreement.) We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future.

You are also required to purchase business software for accounting and bookkeeping, as well as equipment and/or software for point of sale and merchant services the cost of which is included in the above estimate. We will use the software to collect daily business reports, cash summaries and a dynamic customer database. The software will be hosted at a facility designated by us. Subject to patient privacy laws, such as those protected under laws such as HIPAA, we will have independent, unrestricted, access to this information for analysis, monthly revenue reports and system metrics. We have the contractual right to poll the necessary data from your database. (See Section 12.16 of the Franchise Agreement.)

You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require. We are not responsible for any maintenance, repairs, updates and upgrades to your computerized system. You will be responsible for any maintenance, repairs, updates and upgrades as well as the associated costs. You will be responsible for the cost of such upgrades. You will not be required to upgrade your hardware or software more often than once a year. We estimate the cost of the required upgrade will not exceed \$1,500 to \$2,000 per upgrade. (See Section 12.16 of the Franchise Agreement.)

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, multi factor authentication and use of backup systems. (See Section 12.16 of the Franchise Agreement.)

ITEM 12 TERRITORY

We will provide a geographic area around your Business (“Territory”) as described below. The Territory in which you are authorized to operate your ARCpoint Labs business will be based on a number of factors, including geographic size and population of people and businesses. Generally, a Territory consists of approximately 10,000 businesses as of the date you sign your Franchise Agreement. However, we cannot guarantee that your Territory will have 10,000 businesses. In certain densely populated metropolitan areas, a Territory may be considerably smaller, while ARCpoint Labs businesses operating in more rural areas may have a significantly larger Territory.

You may operate your Business through your Onsite/Online Operations only within your Territory and through your Lab Operations conducted only at the Premises within your Territory. You must receive our permission before relocating. We will grant approval to relocate if you are in compliance with the Franchise Agreement, you have paid all money owed to us, and the proposed location meets our site selection criteria as specified in the Manual. You will not receive an exclusive territory. You may face

competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If you sign multiple Franchise Agreements at the same time, you will also sign a MFA that outlines the Territory for each ARCpoint Labs business to be developed under the Franchise Agreements and the development deadlines for such ARCpoint Labs business. The Territories will be determined on a case-by-case basis. Your Territories will not be exclusive. Except as provided in the MFA, we will not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

Provided you are in compliance with the Franchise Agreement, we will not operate an ARCpoint Labs permanent “brick and mortar” business within your Territory, but we have the right to do so anywhere outside your Territory. Clients in your Territory may already be serviced by another ARCpoint Labs business, either directly or as a TPA Account, or be serviced by another ARCpoint Labs business pursuant to a TPA Account in the future due to the location of the client’s headquarters. You may not be able to provide services to those clients. Though we strive to keep an accounting of clients, we may not be aware of all clients being serviced within a Territory, including TPA Accounts.

We also have the right to operate or franchise businesses in your Territory that offer and sell the same or similar services to ARCpoint Labs businesses, as long as those businesses do not use the Marks, as further noted below and in the Franchise Agreement. Once established, the boundaries of your Territory will not be adjusted without our prior written consent regardless of whether the population of your Territory increases or decreases over time. You maintain rights to your Territory even though the population increases.

You do not receive the right to acquire additional franchises within your area under your Franchise Agreement. Each Franchise Agreement is a separate and distinct transaction between you and us.

We reserve the right, among others to:

1. Own, franchise, or operate ARCpoint Labs businesses at any location outside of the Territory, regardless of the proximity to your Business;
2. Operate or license others to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks at any location, both inside and outside of the Territory;
3. Operate or license others to operate businesses that are not similar to an ARCpoint Labs business under the Marks at any location, both inside and outside of the Territory;
4. Develop, merchandise, sell and license others to sell products and services bearing the Marks including the products and services offered at ARCpoint Labs businesses through alternative channels of distribution both inside and outside of the Territory (other than at your Business premises) including, but not limited to, television, mail order, catalog sales, wholesale sale to unrelated businesses, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce or Pay-Per-Click advertising, other than as approved by us;
5. Conduct marketing activities, including implement multi-area marketing programs which may allow us or others to solicit or sell to customers in any location, including within the Territory. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs

including, but not limited to, the price in which our ARCpoint Labs businesses will be paid for providing services to a national account;

6. Purchase, be purchased, merge, acquire, be acquired or affiliate with a competitor or any other business regardless of the location of the competitor or business, and to operate, franchise or license these businesses as ARCpoint Labs businesses under the System or Marks or under other proprietary marks, regardless of the location of these businesses, whether such businesses are within or outside your Territory; and

7. Solicit, market, advertise, and provide ARCpoint Labs authorized products and services to customers or accounts in the Territory that: (i) span multiple territories (e.g. TPA Accounts) or (ii) require services outside of your service offering capabilities. If we or our affiliates service an account as TPA that has its principal place of business in your Territory and the TPA Account was originally secured by you, then we will execute a mutually agreed upon revenue sharing arrangement with you. We reserve the right to require that you or your affiliate act as TPA for all TPA Accounts in the future. In addition, if you provide any services to an account of ours or our affiliate in your Territory, you will also be entitled to a collection payment in an amount commensurate with the service performed and as set forth by us in writing from time to time for the performance of those services.

Restrictions on Marketing and Solicitation

As a franchisee, you have the right and the obligation to solicit and pursue all potential businesses (“B2B Customers”) physically located within the boundaries of your Territory. You may not directly or indirectly solicit or market to potential customers located outside of your Territory through any channel, including but not limited to the search engine optimization or Pay-Per-Click programs via the Internet (other than your ARCpoint Labs business website and social media and marketing managed by our approved vendors), catalog sales, or telemarketing, without prior written approval from us or the ARCpoint Labs business that owns the applicable territory. You may market to group purchasing organizations and other professional organizations that include members in your Territory and in territories belonging to other ARCpoint Labs businesses, provided that you comply with the following requirements: (i) you must notify us and the other ARCpoint Labs businesses with territories that may encompass the organization’s memberships in advance by email and invite the other ARCpoint Labs businesses to participate in the marketing activities; and (ii) any accounts or customers that are derived from the organization will be serviced as an account or customer of the ARCpoint Labs business within whose territory the account or customer is located, unless we determine otherwise.

You may not advertise in any form of media specifically designed to be seen in a territory other than your own (e.g., advertising in a newspaper whose majority of subscribers live outside of your Territory), without prior written approval from us or the ARCpoint Labs business that owns the applicable territory. The management of an approved website or social media accounts via the Internet does not fall within this category of prohibited advertising.

If you establish an account with a B2B Customer which has its headquarters or principal place of business within the Territory, but due to the location of employees or additional locations will require collection services outside of the Territory, you may either: (i) service the account as a TPA using our approved software platform; or (ii) request that we serve as the TPA. If you service the account as a TPA, you must use commercially reasonable efforts to use ARCpoint Labs businesses for collections whenever practicable. However, this shall only apply if the B2B Customer’s policies and procedures regarding testing and vendor selection are made at the corporate level. We reserve the right to require that we or our affiliate serve as TPA for all TPA Accounts in the future.

For any potential state governmental TPA Account, excluding municipal, county, or other government TPA Accounts requiring collections solely within the Territory, you must notify us prior to engaging the client. We may elect to serve as the TPA for such account. For any such account for which we serve as the TPA, we shall execute a mutually agreed upon revenue sharing arrangement with you.

If you receive an unsolicited lead for or a direct request for the performance of services or sale of goods from a potential B2B Customer located within the territory of another ARCpoint Labs business, you may not service the potential account without prior written authorization from the ARCpoint Labs business that owns the Territory. You are encouraged, however, to engage the ARCpoint Labs business to discuss a revenue share, commission, or other form of compensation.

If you receive an unsolicited lead for or a direct request for the performance of services or sale of goods from a potential B2B Customer account in an unowned territory, you may not service the potential customer without prior written authorization from us, which is in our complete discretion but will not be unreasonably withheld. For further clarification, we will determine whether to approve such a request based on the size and complexity of the account, your experience level, the number and proximity of other ARCpoint Labs businesses near the account, and the potential that the other territory may be assigned to a new ARCpoint Labs business. Upon the sale of the unowned Territory, you may be required to transfer the account to the new ARCpoint Labs business.

If, at any point, you and another franchisee disagree about your territorial rights, you must cooperate with the other franchisee and us to resolve that dispute. We will give due consideration to all input from all parties, but we retain the ultimate decision-making authority and responsibility for such matters.

Except as provided in this Item 12, we will not pay you any compensation for soliciting or accepting orders from customers located within your Territory.

Other Brands

As explained in Item 1, our affiliate, Any Test Franchising, offers franchises for Any Lab Test Now businesses that offer lab testing services that are similar to those offered in ARCpoint Labs businesses. There may now be, or in the future may be, Any Lab Test Now businesses operated by Any Test Franchising, its affiliates, and franchisees located in the same market as current and future ARCpoint Labs businesses. These Any Lab Test Now businesses could be company-owned, franchised or both. Any Test Franchising's shares our principal business address for its headquarters and training center. If there is a conflict between you and us caused by an Any Lab Test Now business or between an Any Lab Test now franchisee and an ARCpoint Labs franchisee, our management team will attempt to resolve the conflict after taking into account the specific facts of each situation and what is in the best interests of the affected system or systems. However, we are not responsible for resolving conflicts between or among ARCpoint Labs franchisees, or between or among an Any Lab Test Now franchisee and an ARCpoint Labs franchisee.



Except as previously described in this Item 12, neither we nor any of our affiliates have established or presently intend to establish other franchises or affiliate-operated outlets selling or leasing similar products or services to those offered by ARCpoint Labs businesses under a different trade name or trademark; however, we retain the right to do so in the future.

ITEM 13 TRADEMARKS

We grant you the right to operate a business under our Marks, including the names "ARCpoint" and "ARCpoint Labs". You may also use our other current or future Marks as we may designate to operate

your Business. You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the Business and shall use the appropriate trademark and copyright marks as indicated by us.

We have registered the following trademarks with the United States Patent and Trademark Office (“USPTO”) on the Principal Register:

Registered Mark	Registration Number	Registration Date
	3,881,303	November 23, 2010
ARCPOINT	3,881,304	November 23, 2010
ARCPOINT LABS	4,266,805	January 1, 2013
	4,304,236	March 19, 2013

We have filed, and intend to file, all required affidavits and renewal applications for these Marks. There are presently no effective determinations of the USPTO, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition, or cancellation proceeding involving any of the above-referenced Marks. There are no currently effective agreements other than the ARCpoint Holdings license agreement, that significantly limit our rights to use or license the use of the Marks in a manner material to the franchise. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Marks where your Business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Mark.

You must follow our rules when using the Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your ARCpoint Labs business that you are an independently owned and operated licensed franchisee of ARCpoint Labs. You may not use the Marks in the sale of unauthorized products or services, or in any manner, we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the ARCpoint Labs business, or any interest in the franchise. All rights and goodwill from the use of the Marks accrue to us.

We have the right to control any administrative proceedings or litigation involving our Marks licensed by us to you. You must promptly notify us of when you learn about an infringement of or challenge to your use of our Marks. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses incurred in connection with any such action, unless the challenge or claim results from your misuse of the Marks in violation of the Franchise Agreement, in which case you must pay us for our costs and expenses including our attorney’s fees

The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark licensed by us to you, or if the proceeding is resolved unfavorably to you.

You must modify or discontinue the use of a Mark if we modify or discontinue use. If this happens, you are responsible for all of the associated expense (for example, changing signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before starting your Business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your Business name.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We hold no patents and have no pending patent applications. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Manual.

There are no agreements currently in effect that significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the United States Copyright Office or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Marks described in Item 13 of this disclosure document.

Confidential Information

You may never - during the initial term of the Franchise Agreement, any renewal term, or after the Franchise Agreement expires, or is terminated - reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party, including without limitation another franchisee, except as we authorize. All persons affiliated with you must sign our Nondisclosure and Noncompetition Agreement (Attachment V to the Franchise Agreement).

Our confidential information will include services, technologies and procedures relating to the operation of an Any Lab Test Now business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of our System; the Manual; methods of advertising and promotion; instructional materials; and other matters.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

One of your owners or a manager of your Business (“Manager”) who has completed our training program, must directly supervise and participate in the actual day-to-day operation the Business. Neither

you nor your Manager may have an interest or business relationship with any existing, or yet to be established, business competitor(s).

If you are an entity, we do not require that your Manager own an equity interest in such entity. However, your Manager and each of your officers, directors, partners, shareholders or members, as applicable, must execute our standard Nondisclosure and Noncompetition Agreement, a copy of which is attached to the Franchise Agreement as Attachment V. Other than the above, we make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

If your interest is subsequently assigned to a business entity, each of the entity's officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 20% or greater interest in the entity must sign the Guaranty attached to the Franchise Agreement and agree to assume and discharge all of your obligations and comply with all restrictions under the Franchise Agreement. We do not require spouses of your owners, officers, directors, shareholders, partners, and members to sign the Guaranty; however, if a spouse is directly involved in the operation of the Business, then the spouse must sign the Nondisclosure and Noncompetition Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale to the public only those products and services that are authorized and approved by us as described in our Manual. Further, you are strictly prohibited from offering services that exceed what is allowed under your CLIA certifications.

You must offer all goods and services that we designate as required for all Any Lab Test Now businesses within your market area. We have the right to change the goods and services that you must offer in your area, with prior notice to you. We also reserve the right to set minimum and maximum prices for products and services you sell at your Business and for use with multi-area marketing and special price promotions.

We reserve the right in the future to designate alternate vendors from whom you will purchase the required purchases and services. You are not restricted as to individuals to whom you may provide services for, provided they receive those services at your Business location. However, we reserve the right to sell similar services and products to other channels of distribution such as over the Internet.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section in Franchise Agreement	Summary
a	Length of the Franchise Term	Section 3 of the Franchise Agreement	10 years from signing the Franchise Agreement.
b	Renewal or extension of term	Section 3 of the Franchise Agreement	If you are in good standing, you can renew your franchise for one 10-year renewal term.

	Provision	Section in Franchise Agreement	Summary
c	Requirements for you to renew or extend	Section 3 of the Franchise Agreement	You must sign a renewal Franchise Agreement, be in compliance with your current Franchise Agreement (including payments), renovate and modernize the Business including décor, signs and equipment, and pay the Renewal Fee. The renewal Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement.
d	Termination by franchisee	Not Applicable	Subject to state law, you have no right to terminate the Franchise Agreement.
e	Termination by the franchisor with cause	Section 13.01 of the Franchise Agreement	We can terminate if you commit any one of several violations.
f	Termination by the franchisor without cause	Not Applicable	
g	“Cause” defined - curable defaults	Section 13.01(a) the Franchise Agreement	You have 30 days to cure any breach of the Franchise Agreement or failure to comply with the System, except for non-curable defaults.
h	“Cause” defined - non-curable defaults	Section 13.01(b) of the Franchise Agreement	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, loss of your premises, abandonment, unapproved transfers, breach of confidentiality, non-compliance with law, breach of non-compete, charge or conviction of a felony or certain other crimes; repeated breaches in a 12 month period; and breach of other agreements with us and our affiliates.
i	Franchisee’s obligations on termination/ nonrenewal	Sections 13.02 of the Franchise Agreement	Franchise Agreement: Obligations include complete de-identification, non-competition, and payment of amounts due, return all proprietary or confidential materials, transfer phone numbers and other listings to us.
j	Assignment of contract by franchisor	Section 14.01 of the Franchise Agreement	No restriction on our right to assign.
k	“Transfer” by franchisee - definition	Section 14.02 of the Franchise Agreement	Includes transfer of contract or assets or ownership change.
l	Franchisor’s approval of transfer by Franchisee	Section 14.03 of the Franchise Agreement	We have the right to approve all transfers but will not unreasonably withhold approval.

	Provision	Section in Franchise Agreement	Summary
m	Conditions for franchisor approval of transfer	Section 14.03 of the Franchise Agreement	New franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current Franchise Agreement signed by new franchisee.
n	Franchisor's right of first refusal to acquire franchisee's Business.	Section 14.06 of the Franchise Agreement	We can match any offer for your Business.
o	Franchisor's option to purchase franchisee's Business	Section 13.08 of the Franchise Agreement	We may purchase your inventory and equipment at fair market value upon termination or expiration.
p	Death or disability of franchisee	Section 14.05 of the Franchise Agreement	Ownership interest and/or Business must be transferred within 9 months.
q	Non-competition covenants during the term of franchise	Section 15.01 and Attachment V of the Franchise Agreement	No involvement in Competitive Business anywhere in the United States. A Competitive Business is any business (other than an ARCpoint Labs business operated under a Franchise Agreement with us) that offers (or grants franchises or licenses others to operate a business that offers) laboratory services of any type, including, without limitation, high complexity services, moderate complexity services, low complexity services, reference lab services, services to physicians, hospitals, schools or businesses, testing for food allergies, hormones, blood or toxicology, vaccinations, drug screening, wellness, clinical, or other testing services or testing necessary for advanced regulatory compliance, including drug testing policies for all federal modalities (which includes but is not limited to The Federal Motor Carrier's Safety Administration and U.S. Department of Transportation), or in which Confidential Information could be used to our, our affiliates', and our franchisees' disadvantage.
r	Non-competition covenants after the franchise is terminated or expires	Section 15.01 and Attachment V of the Franchise Agreement	Franchise Agreement: No Competitive Business for 2 years within 25 miles from the boundary of your Territory or within a 25 mile radius from the premises of any Lab Test Now business then in operation.

	Provision	Section in Franchise Agreement	Summary
s	Modification of agreement	Sections 18.03 of the Franchise Agreement	All modifications must be in writing signed by both parties; however Manual is subject to change.
t	Integration merger clause	Section 18.02 of the Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the franchise disclosure document and agreement may not be enforceable. Nothing in the agreements or in any related agreement is intended to disclaim the representations we made in this disclosure document.
u	Dispute resolution by arbitration	Section 16 of the Franchise Agreement	Except for certain claims, all disputes must be arbitrated.
v	Choice of forum	Section 16 of the Franchise Agreement	Arbitration must be held where we have our principal place of business at the time the arbitration demand is filed (currently, Fulton County, Georgia) (subject to applicable state law); for claim not subject to arbitration, claims must be brought in the district where we have our principal place of business at that time.
w	Choice of law	Section 16.05 of the Franchise Agreement	Georgia law applies (subject to applicable state law)

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

2024 Gross Revenues Minus Clinical Program Sales Analysis Franchised Businesses Open at Least 1 Year

After August 2024, new ARCpoint Labs businesses will not participate in clinical programs, which include the offer of clinical products and services in addition to COVID-related clinical services directly to consumers. Therefore, the table below represents Gross Sales data minus all sales from clinical programs

of 95 franchised ARCpoint Labs businesses that: (a) reported clinical program sales data for each of the 12 months in 2024; and (b) were in business 12 months or more as of December 31, 2024. Of the 115 franchised ARCpoint Labs businesses that had been in business for 12 months or more as of December 31, 2024, 20 were excluded because they did not report the clinical program sales data for each of the 12 months in 2024.

Segment	Top 20%	Middle 60%	Bottom 20%
No. of Franchised Businesses	19	57	19
Average Gross Sales Minus Clinical Program Sales	\$544,193	\$154,694	\$29,551
Median Gross Sales Minus Clinical Program Sales	\$498,697	\$148,191	\$25,694
Range of Gross Sales Minus Clinical Program Sales	\$328,701 - \$1,163,454	\$59,494 - \$297,660	\$234 - \$57,469
# and % of Franchised Businesses that Met or Exceeded Average Gross Sales Minus Clinical Program Sales	4 / 21%	25 / 44%	8 – 42%

Notes

1. “Gross Revenue” means the total of all receipts derived from services performed or products sold by the Business, wherever located and directly or indirectly related to the Business, whether through Lab Operations or Onsite/Online Operations, whether or not sold or performed at or from the Premises, whether the receipts are evidenced by cash, credit, checks, gift certificates, coupons, services, property, or other means of exchange and regardless of collection in the case of credit. We obtained this Gross Revenue information from unaudited franchisee reports submitted to us consistent with our reporting requirements.

2. Gross Revenues Minus Clinical Program Sales is calculated by removing all sales from clinical programs from the Gross Revenues of the ARCpoint Labs business.

4. As of December 31, 2024, there were 123 franchised and 5 affiliate-owned ARCpoint Labs businesses. The data below in this financial performance representation only applies to the franchised ARCpoint Labs businesses. From January 1, 2024 to December 31, 2024, there were 15 franchised ARCpoint Labs businesses that closed, none of which had been open for less than 12 months. These closed outlets are not included in this data.

5. Written substantiation of the data used in preparing the figures in the tables will be made available to you on reasonable request.

6. Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will sell and/or earn as much.

7. You should conduct an independent investigation of the expenses you will incur in operating your Franchise. Franchisees or former Franchisees listed in this Franchise Disclosure Document may be one source of information.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or

projections of your future income, you should report it to our management by contacting Kelly Cromptvoets at 303 Perimeter Center North, Suite 575, Atlanta, GA 30346 or the Federal Trade Commission, and the appropriate regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
Systemwide Outlet Summary
For Years 2022 to 2024
(As of December 31 of each year)

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	110	128	+18
	2023	128	138	+10
	2024	134	124	-10
Affiliate-Operated	2022	5	5	0
	2023	5	5	0
	2024	5	4	-1
Total Outlets	2022	115	133	+18
	2023	133	143	+10
	2024	139	128	-11

TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024
(As of December 31 of each year)

STATE	YEAR	NUMBER OF TRANSFERS
California	2022	1
	2023	0
	2024	1
Florida	2022	1
	2023	2
	2024	2
Illinois	2022	1
	2023	0
	2024	0
Nevada	2022	0
	2023	0
	2024	1
North Carolina	2022	0
	2023	1
	2024	0

STATE	YEAR	NUMBER OF TRANSFERS
Oklahoma	2022	0
	2023	1
	2024	0
South Carolina	2022	0
	2023	1
	2024	0
Texas	2022	1
	2023	3
	2024	1
Virginia	2022	1
	2023	1
	2024	0
Washington	2022	0
	2023	1
	2024	0
Totals	2022	5
	2023	10
	2024	5

TABLE NO. 3
Status of Franchised Outlets
For Years 2022 to 2024
(As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	TERM-INATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS - OTHER REASONS	OUTLETS AT END OF THE YEAR
Alabama	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Arizona	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	2	1
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
California	2022	12	3	0	0	0	2	13
	2023	13	1	0	0	0	2	12
	2024	12	3	0	0	0	0	15
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	1	0	0	0	0
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2022	17	2	0	2	0	0	17
	2023	17	6	0	0	0	2	21
	2024	21	3	2	0	0	5	17

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	TERM- INATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS - OTHER REASONS	OUTLETS AT END OF THE YEAR
Georgia	2022	4	2	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	1	0	0	1	4
Illinois	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	1	2
Indiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Kentucky	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Louisiana	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Maryland	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Massachusetts	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Minnesota	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	1	5
	2024	5	0	2	0	0	0	3
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	10	1	0	0	0	0	11
	2023	11	2	0	1	0	0	12
	2024	12	1	0	1	0	0	12
Ohio	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	TERM- INATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS - OTHER REASONS	OUTLETS AT END OF THE YEAR
Oregon	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	5	2	0	0	0	0	7
	2023	7	0	0	1	0	0	6
	2024	6	0	0	0	0	0	6
South Carolina	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	2	1
Tennessee	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	12	6	0	0	0	1	17
	2023	17	4	0	0	0	1	20
	2024	20	4	1	0	0	2	21
Virginia	2022	6	3	0	0	0	1	8
	2023	8	1	0	0	0	0	9
	2024	9	0	0	0	0	3	6
Washington	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Washington, DC	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	1	0
Total	2022	106	22	0	2	0	4	122
	2023	122	20	0	2	0	6	134
	2024	134	16	8	1	0	17	124

TABLE NO. 4
Status of Affiliate-Operated Outlets
For Years 2022 to 2024
(As of December 31 of each year)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Indiana	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Ohio	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
South Carolina	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Total	2022	5	1	0	1	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5

TABLE NO. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Affiliate-Operated Outlets in the Next Fiscal Year
Alabama	1	0	0
Arizona	2	1	0
Arkansas	0	0	0
California	15	3	0
Delaware	0	0	0
District of Columbia	1	0	0
Florida	3	1	0
Georgia	3	0	0
Illinois	0	0	0
Indiana	0	0	0
Louisiana	1	0	0
Maryland	1	0	0
Massachusetts	2	0	0
Minnesota	1	0	0
Missouri	0	0	0
Nebraska	1	0	0
New Jersey	2	0	0
Nevada	1	0	0
North Carolina	5	0	0
Ohio	3	0	0
Oklahoma	2	0	0
Pennsylvania	7	1	0
South Carolina	0	0	0
Tennessee	1	0	0
Texas	5	1	0
Utah	0	0	0
Virginia	0	0	0

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Affiliate-Operated Outlets in the Next Fiscal Year
Washington	2	0	0
Wisconsin	3	0	0
TOTALS	62	7	0

A list of names of all current franchisees and their addresses and telephone numbers as of December 31, 2024 are listed in Exhibit G to this disclosure document. The name and last known home address and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this disclosure document are also listed in Exhibit G to this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all of those franchisees will be able to communicate with you. During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the System.

Advisory Council

We have established NAC to enhance communication between the corporate office and franchisees and serve in an advisory capacity with respect to a variety of issues. The NAC consists of both franchisees and corporate representatives, and members are selected as provided in the NAC's bylaws. We have the power to form, change, or dissolve the NAC, at our sole discretion. (See Section 11.4 of the Franchise Agreement.) Other than the NAC, there are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2024, December 31, 2023 and December 31, 2022 and unaudited financial statements for the period which ended on May 31, 2025. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

Attached to this disclosure document are the following contracts:

- B Franchise Agreement
- C Multi-Unit Addendum
- F State Required Agreement Addenda
- I General Release
- J Disclosure Acknowledgement Form

EXHIBIT A

FINANCIAL STATEMENTS

ACRpoint Franchise Group

Audited Financial Statements

For the Year Ended December, 31, 2024

ARCPOINT FRANCHISE GROUP
Table of Contents
December 31, 2024

	<u>PAGE(S)</u>
FINANCIAL SECTION	
Independent Auditor's Report	FS.1 - FS.2
Balance Sheets	FS.3
Income Statements	FS.4
Statements of Cash Flows	FS.5
Notes to Financial Statements	FS.6 - FS.7



8219 West Atlantic Boulevard
Coral Springs, FL 33071
(954) 768-6620

Independent Auditor's Report

To the members and owners of
ARCPoint Franchise Group, LLC
101 N Main Street Suite 301
Greenville, SC 29601

Opinion

We have audited the accompanying financial statements of ARCPoint Franchise Group, LLC (a privately held company), which comprise the balance sheet as of December 31, 2024, and the related statement of income, changes in shareholders equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARCPoint Franchise Group, LLC as of December 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of ARCPoint Franchise Group, LLC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing ARCPoint Franchise Group, LLC ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KMS Financial Consulting

Coral Springs, Florida
June 12, 2025

ARCPOINT FRANCHISE GROUP
Balance Sheet
As of December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 177,879	\$ 787,387
Accounts receivable	778,823	614,071
Due from/to affiliates	5,783	163,190
Prepaid expenses	98,608	55,662
Other assets	68,063	-
Capitalized commissions	506,634	568,633
Total current assets	<u>1,635,790</u>	<u>2,188,943</u>
Noncurrent assets		
Property plant and equipment	1,064,529	1,064,529
Accumulated depreciation	(552,747)	(442,348)
Property plant and equipment - net	<u>511,782</u>	<u>622,181</u>
Capitalized commissions	<u>1,545,199</u>	<u>2,838,911</u>
Total noncurrent assets	<u>2,056,981</u>	<u>3,461,092</u>
Total assets	<u><u>3,692,771</u></u>	<u><u>5,650,035</u></u>
Liabilities		
Current liabilities		
Accounts payable	297,268	444,959
Other current liabilities	140,918	388,071
Lease payable	-	92,035
Unearned revenue	1,188,639	1,443,455
Total current liabilities	<u>1,626,825</u>	<u>2,368,520</u>
Noncurrent liabilities		
Lease payable	556,055	562,938
Note payable	-	2,586,169
Unearned revenue	5,133,254	6,574,275
Due to affiliates	7,459,841	2,344,598
Cresso brand fund	275,178	-
Noncurrent liabilities	<u>13,424,328</u>	<u>12,067,980</u>
Total liabilities	<u>15,051,153</u>	<u>14,436,500</u>
Equity		
Total equity	<u>(11,358,382)</u>	<u>(8,786,465)</u>
Total liabilities and equity	<u><u>3,692,771</u></u>	<u><u>5,650,035</u></u>

See accompanying notes to financial statements.

ARCPOINT FRANCHISE GROUP
Income Statement
For the period January through December, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Total Revenues	<u>5,571,484</u>	<u>4,427,356</u>
Cost of Goods Sold	<u>1,549,521</u>	<u>888,240</u>
Gross Profit	<u>4,021,963</u>	<u>3,539,116</u>
Operating Expenses		
Total Expenses	<u>4,090,058</u>	<u>5,672,832</u>
Ordinary loss	<u>(68,095)</u>	<u>(2,133,716)</u>
Total Non Operating Income (Expenses)	<u>126,070</u>	<u>190,852</u>
Net loss	<u><u>\$ (194,165)</u></u>	<u><u>\$ (2,324,568)</u></u>

See accompanying notes to financial statements

ARCPOINT FRANCHISE GROUP
Statement of Cash Flows
For the year ended December 31, 2024, and 2023

	2024	2023
Cash flows from operating activities		
Reconciliation of net income to net cash provided by operating activities		
Net Income	\$ (194,165)	\$ (2,324,568)
Depreciation and amortization	110,398	330,626
Adjustments to reconcile operating income to net cash provided by operating activities		
Accounts receivable	(164,752)	22,532
Due from affiliates	157,407	488,488
Prepays	(42,946)	35,942
Other assets	(68,063)	-
Capitalized commissions	-	(299,899)
Accounts payable	(147,691)	373,337
Accrued expenses	(1,782,643)	(985,329)
Due to affiliates	6,610,953	-
Cresso brand fund	275,178	-
Unearned revenue	(252,382)	371,691
Net cash provided by operating activities	4,501,294	(1,987,180)
Cash flows from investing activities		
Additions to fixed assets	-	(7,340)
Net cash used for investing activities	-	(7,340)
Cash flows from financing activities		
Lease payable	(6,883)	(136,145)
Repayment of debt	-	(136,098)
Equity	(5,103,919)	-
Net cash used for financing activities	(5,110,802)	(272,243)
Net change in cash	(609,508)	(2,266,763)
Cash, beginning of year	787,387	3,054,150
Cash, end of year	177,879	787,387

See accompanying notes to financial statements

ARCPoint Franchise Group, LLC
Notes to Financial Statements
December 31, 2024

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

ARCPoint Franchise Group, LLC, (the Organization) is a privately held company engaged in the franchising of affordable and comprehensive lab testing services directly to the public. The Organization's revenues are derived from franchise fees and royalty income from agreements with franchisees. Its headquarters are located in Greenville, South Carolina and was founded in 2005.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets, and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Use of Estimates: The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and in banks.

Revenue Recognition: Revenue is recognized when services are performed, and the Organization has satisfied its performance obligation under its customer agreements.

Income Tax: The Organization does not incur income taxes; instead, its earnings are included in the partners' personal income tax returns and taxed depending on their personal tax situations. The financial statements, therefore, do not include a provision for income taxes.

NOTE 3 – CASH AND CASH EQUIVELENT

As of December 31, 2024, the Organization maintained cash balances of \$177,879 in U.S. bank accounts.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consists of the following as of December 31, 2024:

	December 31, 2024
Accounts Receivable - Trade	650,998
Accounts Receivable - Brand Fund	116,088
Accounts Receivable - Other	11,737
Net accounts receivable	<u>778,823</u>

ARCPoint Franchise Group, LLC
Notes to Financial Statements
December 31, 2024

NOTE 5 – PROPERTY PLANT AND EQUIPMENT

Property, plant, and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Repair and maintenance charges are expensed as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

Property plant and equipment	December 31, 2024
Furniture and equipment	309,697
Leasehold improvements	52,733
Right of use assets	577,759
Software	124,340
Trademark	181,868
Accumulated depreciation	(734,615)
Net property, plant and equipment	<u><u>511,782</u></u>

NOTE 6 – UNEARNED REVENUE

As of December 31, 2024, the Organization has recorded unearned revenue amounting to \$6,321,893. Unearned revenue represents amounts received in advance from customers for goods or services which are yet to be delivered or performed as of the reporting date. Revenue is recognized when the performance obligations under the customer contracts are satisfied, in accordance with the Organization's revenue recognition policy and ASC 606. Management has assessed the timing and nature of these obligations and confirmed that the recognition of revenue is deferred appropriately until such obligations are fulfilled.

NOTE 7 – LEASE PAYABLE

As of December 31, 2024, it recorded a lease liability of \$556,055, representing the present value of future lease payments for right-of-use assets. The Organization recognizes lease liabilities in accordance with ASC 842, which requires the recognition of lease obligations on the balance sheet for leases with a term exceeding 12 months.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Organization engaged in transactions with related parties during the year which are controlled by the owner of ARCPoint Franchise Group LLC. Management believes that these transactions were conducted at arm's length terms.

NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 12, 2025, which is the date these financial statements were available to be issued. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the accompanying financial statements.

ARCpoint Franchise Group, LLC
Audited Financial Statements
December 31, 2023

Kevin Norton, P.A.
Certified Public Accountant
1451 W. Cypress Creek Road, Suite 300
Ft. Lauderdale, Florida 33309
(954) 822-1223

To the Owners

March 14, 2024

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of ARCpoint Franchise Group, LLC which comprise the balance sheet as of December 31, 2023 and the related consolidated statements of income, comprehensive income, changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of ARCpoint Franchise Group, LLC as of December 31, 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Kevin Norton, CPA

Kevin Norton, C.P.A.

Serving the business community since 1985.

ARCpoint Franchise Group, LLC

TABLE of CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Balance Sheet	2
Statement of Income and Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5

ARCpoint Franchise Group, LLC
Balance Sheets
As of December 31, 2023

	December 31, 2021	December 31, 2022	December 31, 2023
ASSETS			
Current Assets			
Cash and Short Term Investments	\$ 2,502,143	\$ 3,054,150	\$ 787,387
Accounts Receivable, Net	2,013,015	854,629	614,071
Prepaid Expenses & Other Current Assets	31,828	91,604	55,662
Capitalized Commissions	-	543,596	568,633
Short Term Notes - Related Party	131,936	147,895	163,190
	4,678,922	4,691,874	2,188,943
Non-current Assets			
Capitalized Commissions	-	2,564,049	2,838,911
Property and Equipment	180,718	252,394	224,169
Right-of-use Assets	-	475,047	398,012
Security Deposit	6,505	-	-
Long Term Receivables - Related Party	123,382	-	-
TOTAL ASSETS	\$ 4,989,527	\$ 7,983,364	\$ 5,650,035
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable	\$ 225,475	\$ 71,622	\$ 444,959
Credits Cards and Misc	18,743	35,802	14,540
Accrued Expenses	280,765	1,542,188	373,531
Due to ARCpoint Inc.	-	1,122,317	-
Escrow - Marketing Fund	1,800,965	-	-
Current Portion of Deferred Revenue	-	1,362,144	1,443,455
Current Portion of Lease Liabilities	-	52,473	92,035
	2,325,948	4,186,546	2,368,519
Non-current liabilities			
Deferred Revenue	-	6,283,895	6,574,275
Due to ARCpoint Inc.	-	-	1,495,710
Notes Payable	-	2,561,786	2,586,169
Lease Liabilities	-	694,536	562,938
Notes Payable - Related Party	816,959	718,498	848,888
TOTAL LIABILITIES	3,142,907	14,445,261	14,436,500
Members' Equity			
Capital	823,640	683,009	568,329
Retained Earnings (Deficit)	1,022,980	(7,144,906)	(9,354,794)
TOTAL MEMBERS' EQUITY	1,846,620	(6,461,897)	(8,786,465)
TOTAL - LIABILITIES & EQUITY	\$ 4,989,527	\$ 7,983,364	\$ 5,650,035

The accompanying notes are an integral part of these financial statements.

ARCpoint Franchise Group, LLC
Statement of Income (Loss)

	For the years ended December 31,		
	2021	2022	2023
Revenues:	\$ 11,462,890	\$ 7,540,215	\$ 4,427,356
Total Revenues	11,462,890	7,540,215	4,427,356
Cost of Revenue	942,000	2,609,542	888,240
Gross Profit	10,520,890	4,930,673	3,539,116
Costs & Expenses	7,188,866	5,338,539	5,672,832
Operating (Loss) Income	3,332,024	(407,866)	(2,133,716)
Interest Expense & Other	321,790	275,474	190,852
Net (Loss) Income	\$ 3,010,234	\$ (683,340)	\$ (2,324,568)

MEMBERS EQUITY STATEMENT

Beginning Balance	\$ 1,703,782	\$ 1,846,620	\$ (6,461,897)
Distributions	(2,867,396)	(1,176,000)	-
Adoption of ASC606	-	(6,449,177)	-
Net Income (Loss)	3,010,234	(683,340)	(2,324,568)
Ending Balance	\$ 1,846,620	\$ (6,461,897)	\$ (8,786,465)

The accompanying notes are an integral part of these financial statements.

ARCpoint Franchise Group, LLC
Statement of Cash Flows

	For the years ended December 31,		
	2021	2022	2023
Operating Activities			
Net (Loss) Income	\$ 3,010,234	\$ (683,340)	\$ (2,324,568)
Adjusted For:			
Bad Debt and Expected Credit Losses	-	66,141	218,026
Depreciation and Amortization	-	105,425	112,600
Changes in Operating Working Capital:			
Accounts Receivable	982,670	1,092,245	22,532
Due from (to) Related Parties	(6,517)	(114,420)	115,095
Intercompany	(33,129)	1,629,581	373,393
Accounts Payable	70,734	(153,853)	373,337
Credit Cards Payable	(52,503)	17,059	(21,262)
Accrued Expenses	(51,424)	(180,638)	(964,067)
Refundable Deposits	(15,000)	-	-
Escrow Fund	528,199	-	-
Loans Payable COVID-current	(251,796)	-	-
Capitalized Commissions	-	(580,522)	(299,899)
Deferred Revenues	-	1,451,940	371,691
Prepaid Expenses	(16,343)	(59,776)	35,942
Net Cash Related to Operating Activities	4,165,125	2,589,842	(1,987,180)
Investing Activities			
Additions of Fixed Assets	(180,718)	(100,066)	(7,340)
Security Deposit	(6,505)	6,505	-
Long Term Receivable	(37,643)	123,382	-
Net Cash Related to Investing Activities	(224,866)	29,821	(7,340)
Financing Activities			
Distributions Paid	(2,867,396)	(1,541,756)	-
Lease Payments Made	-	(150,900)	(136,145)
Repayment of Debt	(138,243)	(225,000)	(136,098)
Return of Capital	-	(150,000)	-
Net Cash Related to Financing Activities	(3,005,639)	(2,067,656)	(272,243)
INCREASE IN CASH	934,620	552,007	(2,266,763)
Cash, Beginning of Year	1,567,523	2,502,143	3,054,150
Cash, End of Year	\$ 2,502,143	\$ 3,054,150	\$ 787,387

The accompanying notes are an integral part of these financial statements.

ARCpoint Franchise Group, LLC

Notes to Financial Statements December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business Activity

ARCpoint Franchise Group (the Company) is the franchisor of ARCpoint Labs and supports over 100 independently owned locations. As an industry leader, the Company innovates and offers comprehensive testing services for businesses and individuals, including drug, alcohol and DNA testing, background screenings, plus health and wellness solutions.

The Company sells franchises to individuals nationwide and provides support in the form of marketing, technology and training to new franchisees.

The Company was formed under the laws of the state of South Carolina in February 2005. The main office is located in Greenville, South Carolina.

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (GAAP) as contained in the Accounting Standards Codification (ASC) issued by the Financial Standards Board (FASB) and general practices within the franchise industry. The following is a summary of the significant policies.

Use of Estimates

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are not stated net of an estimate of the amount of receivables that may not be collected, as required by U.S. generally accepted accounting principles. Instead, the Company has written off bad debt when it has been determined that the account is not collectible.

Other Current Assets

Other current assets consist primarily of short term loans with affiliates that the Company expects to receive within the next year.

Property and Equipment

Property and equipment are capitalized at cost and consist primarily of hardware and software for its technology infrastructure, furniture and fixtures. Depreciation is calculated using the straight-line method over estimated useful lives of the assets ranging from three to seven years.

Intangibles

The Company's intangible asset is comprised of its trademark and is recorded at cost. It is being amortized using the straight-line method over a period of 5 years.

ARCpoint Franchise Group, LLC

Notes to Financial Statements December 31, 2023

Revenue Recognition

The Company recognizes revenue from various sources of revenue including service fees, contracts, advertising, franchise fees and royalties as per GAAP S SFAS #45. Revenues from such sources are recognized as earned upon the completion of work performed. Initial franchise fees are recognized upon the completion of all contractual requirements (or Deferred Revenue until completed), with subsequent other revenues being predominantly classified as royalty fees. ASC 606 was considered and determined, in coordination with management and reflected on the balance sheet as deferred revenues in 2023.

Income Taxes

The Company is an LLC and has elected to be taxed under the provisions of the Partnership rules of the Internal Revenue Code. Under those provisions, the Company does not pay corporate income taxes on its taxable income. Instead, each member is liable for individual income taxes on his respective share of the Company's taxable income. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no tax positions which must be considered for disclosure.

Date of Management's Review

Management has evaluated subsequent events through the date on which the financial statements were available to be issued.

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances at a bank in the Greenville, South Carolina area. The Federal Deposit Insurance Corporation insures the balances up to \$250,000.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 consist of the following:

Furniture and Equipment-	\$ 224,169
Net of Accumulated Depreciation	

NOTE 4 – Right of Use Asset

Leases carried on the balance sheet and amortized straight line.

ARCpoint Franchise Group, LLC

Notes to Financial Statements December 31, 2023

NOTE 5 – NOTE PAYABLE

The long term notes payable of the Company consists primarily of loans with the general partner of the Company of \$2,586,169. Additionally, Notes Payable Related Parties are reported at \$848,888.

These loans are unsecured and are payable as cash flow allows, at rates ranging from 2.5 to 8 percent per annum.

NOTE 6 – RELATED PARTY TRANSACTIONS

The accompanying financial statements include balances and transactions between the Company and its affiliates, members and other related parties.

The related party transactions were consummated on terms equivalent to those that prevail in arm's length transactions.

NOTE 7 – CONCENTRATIONS

The Company has no significant concentration during 2023 that represented a material impact.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The company's legal counsel has been contacted, per FASB 5 and ASC 450-20, for any material litigation that might effect the reader of these financial statements. No material issues are present.

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

The Company had prior period adjustments in 2021 to realign financial statements per ASC 606 (see Note 10).

NOTE 10 – FINANCIAL STATEMENTS RESTATED

The restatement in 2021 was the result of ASC 606 to comply with GAAP and thus reflected accordingly in the balance sheet and income statement reflecting deferred revenues and related expenses from prior years.

NOTE 11 – ADVERTISING & MARKETING

Advertising & Marketing costs (including brand fund expenses) are expensed as contractually incurred and totaled \$1,568,444 for the year ended December 31, 2023.

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

ARCpoint Franchise Group, LLC

Profit and Loss January - May, 2025

	TOTAL
Income	
41000 Recurring Revenue	
41100 Royalties	795,823.16
41110 Royalties Reconciliation	68,633.62
Total 41100 Royalties	864,456.78
41200 Technology Fees	260,116.00
42650 MyARCpoint	9,038.63
42660 Clinical Requisition Standard	9,023.00
Total 41000 Recurring Revenue	1,142,634.41
42000 Non-recurring Revenue	
42100 Franchise Sales	631,110.87
42120 Franchise Fee	154,375.00
42180 Initial Training Fee	-4,845.00
42215 Business development training	-5,000.00
42220 Unearned initial fees	-154,375.00
Total 42100 Franchise Sales	621,265.87
42300 Franchise Transfers	7,500.00
42500 Conferences / Meetings / Shows	89,225.00
42600 Reimbursed Expenses	0.00
Total 42000 Non-recurring Revenue	717,990.87
43010 EAP	-1,440.00
45000 Storefront Income	11,131.52
45800 Storefront Supplies	63.18
Total 45000 Storefront Income	11,194.70
Shipping	760.62
Total Income	\$1,871,140.60
Cost of Goods Sold	
50000 Cost of Goods Sold	179.79
51000 Commission and Other	178,843.35
51100 Commissions - Internal	50,852.54
51200 Commissions - External	-15,000.00
51300 Franchise Development Support	13,434.63
Total 51000 Commission and Other	228,130.52
52000 Other Costs of Goods Sold	22,707.60
53000 Technology Fee	269,489.00
54000 6 Microsoft accounts Cost	-568.25
55000 IPFS Cost	5,139.49
56000 Rent Cost	-48,479.45
TPA House Accounts Cost	3,943.90
Total Cost of Goods Sold	\$480,542.60
GROSS PROFIT	\$1,390,598.00

ARCpoint Franchise Group, LLC

Profit and Loss January - May, 2025

	TOTAL
Expenses	
61000 People	
61100 Fixed Salaries	459,897.67
61200 Variable Salaries	6,500.00
61300 Payroll Services	16,809.51
61400 Payroll Taxes	50,169.65
61500 Worker's Comp	1,946.80
61600 Health Insurance	29,024.10
61700 401k	12,954.74
Total 61000 People	577,302.47
62000* Professional Services*	18,549.82
62200 Legal	53,040.00
62300 Finance and Accounting	17,837.90
62400 Training Support	1,631.43
62600 Other	32,047.63
Total 62000* Professional Services*	123,106.78
63000 Marketing	4,640.32
63100 Agency and Freelancer Fees	
63120 General Agency & Freelancer Fees	6,600.00
Total 63100 Agency and Freelancer Fees	6,600.00
63400 Conferences / Meetings / Conventions / Shows	18,577.96
63500 Research and Development	1,190.00
63600 Gifts	144.82
63900 Marketing - Other	-24,658.90
Total 63000 Marketing	6,494.20
64000 Technology Services	88,192.62
64000 Technology Services	52,729.09
65000 Financing Costs	
65100 Interest Expense	13,945.43
Total 65000 Financing Costs	13,945.43
66000 Rent - Facilities and Offices	16,976.60
67000 Travel and Entertainment	4,034.80
67100 Meals & Entertainment	9,529.49
67300 Airfare	12,611.71
67400 Vehicle (Rental, Fuel, Parking)	10,143.64
67500 Lodging	158,388.25
67600 Other Travel	40.00
Total 67000 Travel and Entertainment	194,747.89
68000 Communications	13,189.22
69000 Liability Insurance	36,501.60
70000 Office Supplies	3,546.87

ARCpoint Franchise Group, LLC

Profit and Loss

January - May, 2025

	TOTAL
71000 Bad Debt	-9,999.00
72000 Dues and Subscriptions	8,568.84
73000 State and Local Taxes	-6,300.00
74000 Professional Development	2,900.33
76000 Bank Service Charges	3,771.53
77050 Uncategorized Expense	0.00
81000 Depreciation	45,771.56
Total Expenses	\$1,171,446.03
NET OPERATING INCOME	\$219,151.97
NET INCOME	\$219,151.97

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
10000 Southern First -6110	77,808.19
10710 Bill.com Money In Clearing	8,218.48
10720 Bill.com Money Out Clearing	306.01
Total Bank Accounts	\$86,332.68
Accounts Receivable	
11000 Accounts Receivable	893,592.55
11300 Accounts Receivable Other	0.00
Total Accounts Receivable	\$893,592.55
Other Current Assets	
11005 Account Receivable owed to Arcpoint Group	-269,646.61
11200 Allowance for Doubtful Accounts	0.00
11310 Accrued Receivables	0.00
12200 Prepaid Expenses	32,580.56
12210 Prepaid Commissions	0.00
12220 Prepaid Payroll Fees	-2,083.28
Total 12200 Prepaid Expenses	30,497.28
12400 Intercompany Due To/From	
12410 Due to / from FJD, LLC	-7,091,150.63
12420 Due to/from Arcpoint Finance Corp	0.00
12430 Due to/from AFG Medical PA	0.00
12450 Due to / from AFG Services	4,016.25
12460 Due to / from Corporate Labs	0.00
12465 Due to/from Arcpoint Group	0.00
Total 12400 Intercompany Due To/From	-7,087,134.38
12470 Intercompany Due To/From ABH LLC	0.00
12480 Intercompany Due To/From Total Reporting	0.00
12500 Due from John Constantine - Options	0.00
12505 Uncategorized Asset	-2,301.00
12510 Due from Felix Mirando III - AmEx	17,470.31
12600 Due to/from Labs of Indy	0.00
13000 Employee Advances	0.00
13050 DJ	0.00
13100 FM	0.00
13150 JC	0.00

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

	TOTAL
Total 13000 Employee Advances	0.00
13300 Employee Expense Reimbursements	9,482.30
13500 Holding Account	28,150.44
13750 Undeposited Funds	11,927.50
15000 Capitalized Commissions	1,884,946.75
Total Other Current Assets	\$ -5,376,607.41
Total Current Assets	\$ -4,396,682.18
Fixed Assets	
14000 Fixed Assets	
14100 Furniture and Equipment	309,697.01
14200 Software / Website	124,339.97
14999 Fixed Assets - Right of Use Assets	577,759.46
17000 F&F Accumulated Depreciation	-154,266.14
17999 Right of Use Amortization	-288,052.75
Total 14000 Fixed Assets	569,477.55
14400 Lease Hold Improvements	52,732.93
17010 Leasehold Improvements Accumulated Depreciation	-31,032.69
17020 Accum Depreciation Software/Website	-124,339.97
Total Fixed Assets	\$466,837.82
Other Assets	
14300 Intangible Assets	0.00
16010 Notes Receivable	0.00
16050 Cuyahoga Falls, OH Note Receivable	26,500.00
16100 Senthil Kumar	16,500.00
16150 Wilmington, NC - George Hutnik	0.00
16160 Fort Myers, FL - Jitendra Suman	0.00
16170 TX - Plano - Gladys Nyamimba and Cathy Ntini	0.00
16180 Yuba City, CA - Luis Luna Note	0.00
16185 CA - Sacramento West - Craig Trenton	5,595.30
16190 Bellingham, WA - Brett Kinney	7,375.00
16200 Herndon, VA - Jon Helm	0.00
16210 GA - Atlanta Northeast - Monte McDowell	0.00
16220 Kissimmee and Altamonte Springs, FL - Jim Carmona	0.00
16230 Salem and Lynchburg, VA - Denis Tebit	3,842.16
16235 FL - Downtown Orlando - Sam Fahmy	0.00
16240 NC - Monroe - Wadesboro - Tene Osahar	-0.02
16245 TX - Greater Heights - Esther Adeniyi	0.00
16250 Grand Prairie-South, TX - Gerald Okafor	2,800.00
16255 NC - Fayetteville - Jeff Allen	-17,332.00
16499 Note Receivable owed to ArcPoint	-93,001.44
Total 16010 Notes Receivable	-47,721.00

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

	TOTAL
16750 Security Deposits	-1,570.21
17200 Trademark	181,863.07
17250 Accumulated Amortization	-181,863.07
Total 17200 Trademark	0.00
Total Other Assets	\$ -49,291.21
TOTAL ASSETS	\$ -3,979,135.57
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	158,855.07
Total Accounts Payable	\$158,855.07
Credit Cards	
21010 Amex - Working Capital Line	0.00
21050 Amex -41009	72,342.73
21060 Amex -91004	16,175.42
Rippling Credit Card	0.00
Total Credit Cards	\$88,518.15
Other Current Liabilities	
21500 Payroll Liabilities	-155.45
24000 401k Liability	3,332.49
24050 FSA Liability	462.50
24100 HSA Liability	2,687.33
24150 LTD - STD Liability	1,204.43
24200 Accrued PTO	23,409.00
Total 21500 Payroll Liabilities	30,940.30
21750 Accrued Commissions	0.00
21760 Accrued Expenses	999.50
22000 Notes Payable - Minority Unitholders	0.00
22300 Management Loan	0.00
22400 Intercompany	
22750 ARCpoint Franchise Group due to / (from) Brand Fund	2,791.42
Total 22400 Intercompany	2,791.42
23000 Lease Liability	472,239.35
23010 Lease Liability - Sublease	3,239.46
23500 Refundable Deposits	0.00
25590 SC Department of Revenue Payable	0.00
25591 SC Sales Tax Commission Payable	0.00
Sales Tax Payable	0.00

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

	TOTAL
Total 25591 SC Sales Tax Commission Payable	0.00
25592 Sales Tax Agency Payable	0.00
26000 Unearned Revenue	5,792,623.92
Brand Fund Escrow	0.00
Brand Fund Start Up Escrow	0.00
Total Other Current Liabilities	\$6,302,833.95
Total Current Liabilities	\$6,550,207.17
Long-Term Liabilities	
22010 Due to Blakely	0.00
25000 Cresso Brands Fund	690,000.00
Total Long-Term Liabilities	\$690,000.00
Total Liabilities	\$7,240,207.17
Equity	
30000 Opening Bal Equity	0.00
32900 Partner Distributions	-7,561,869.71
33200 Felix Mirando III	-724,090.78
Total 32900 Partner Distributions	-8,285,960.49
33400 Return of Capital	-2,385,320.00
33500 Capital Stock	568,328.70
33600 Noncontrolling Interests	-28,972.30
34000 Retained Earnings	-1,306,570.62
34100 Reserved Capital	0.00
Net Income	219,151.97
Total Equity	\$ -11,219,342.74
TOTAL LIABILITIES AND EQUITY	\$ -3,979,135.57

ARCpoint Franchise Group, LLC

Statement of Cash Flows

January - May, 2025

	TOTAL
OPERATING ACTIVITIES	
Net Income	219,151.97
Adjustments to reconcile Net Income to Net Cash provided by operations:	
11000 Accounts Receivable	-258,231.86
12200 Prepaid Expenses	34,229.95
12450 Intercompany Due To/From:Due to / from AFG Services	0.00
12465 Intercompany Due To/From:Due to/from Arcpoint Group	0.00
12505 Uncategorized Asset	2,301.00
12510 Due from Felix Miranda III - AmEx	-15,703.62
13300 Employee Expense Reimbursements	-9,482.30
13500 Holding Account	-28,140.44
15000 Capitalized Commissions	163,843.35
17010 Leasehold Improvements Accumulated Depreciation	2,889.49
20000 Accounts Payable	-74,617.69
21050 Amex -41009	66,155.53
21060 Amex -91004	15,754.97
21500 Payroll Liabilities	-7,187.53
21760 Accrued Expenses	-96,488.21
22750 Intercompany:ARCpoint Franchise Group due to / (from) Brand Fund	-3,250.79
23000 Lease Liability	-45,661.92
24000 Payroll Liabilities:401k Liability	0.00
24050 Payroll Liabilities:FSA Liability	1,775.03
24100 Payroll Liabilities:HSA Liability	125.00
24150 Payroll Liabilities:LTD - STD Liability	254.71
25591 SC Sales Tax Commission Payable	0.00
25592 Sales Tax Agency Payable	0.00
26000 Unearned Revenue	-477,160.87
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-728,596.20
Net cash provided by operating activities	\$ -509,444.23
INVESTING ACTIVITIES	
17000 Fixed Assets:F&F Accumulated Depreciation	10,784.32
17999 Fixed Assets:Right of Use Amortization	32,097.75
16050 Notes Receivable:Cuyahoga Falls, OH Note Receivable	1,500.00
16100 Notes Receivable:Senthil Kumar	3,750.00
16185 Notes Receivable:CA - Sacramento West - Craig Trenton	6,245.28
16190 Notes Receivable:Bellingham, WA - Brett Kinney	2,500.00
16230 Notes Receivable:Salem and Lynchburg, VA - Denis Tebit	2,500.00
16250 Notes Receivable:Grand Prairie-South, TX - Gerald Okafor	1,000.00
16750 Security Deposits	8,075.20
Net cash provided by investing activities	\$68,452.55
FINANCING ACTIVITIES	
25000 Cresso Brands Fund	415,000.00
Net cash provided by financing activities	\$415,000.00
NET CASH INCREASE FOR PERIOD	\$ -25,991.68

ARCpoint Franchise Group, LLC

Statement of Cash Flows

January - May, 2025

	TOTAL
Cash at beginning of period	124,251.86
CASH AT END OF PERIOD	\$98,260.18

EXHIBIT B
FRANCHISE AGREEMENT



ARCPOINT FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. DEFINITIONS	1
2. GRANT OF FRANCHISE.....	3
3. TERM AND RENEWALS	4
4. LOCATION AND TERRITORY	4
5. FEES AND ROYALTIES.....	7
6. MARKS	9
7. MANUAL AND CONFIDENTIAL INFORMATION	10
8. TRAINING	11
9. SOLICITATION AND ADVERTISING.....	12
10. SITE SELECTION, CONSTRUCTION AND OPENING REQUIREMENTS.....	14
11. RECORDS AND REPORTS	15
12. OPERATION OF THE FRANCHISED BUSINESS	16
13. DEFAULT, TERMINATION AND EXPIRATION	22
14. TRANSFER	25
15. COVENANTS.....	27
16. DISPUTE RESOLUTION	28
17. RELATIONSHIP OF THE PARTIES	30
18. MISCELLANEOUS	30
19. REPRESENTATIONS AND ACKNOWLEDGEMENTS.....	32

ATTACHMENTS

Attachment I	Summary Information
Attachment II	Authorization Agreement for Preauthorized Payment Service
Attachment III	Statement of Ownership
Attachment IV	Guaranty
Attachment V	Nondisclosure and Noncompetition Agreement
Attachment VI	Form of Lease Addendum

FRANCHISE AGREEMENT

This Franchise Agreement (this “Agreement”) is entered into between ARCpoint Franchise Group, LLC, a South Carolina limited liability company (“Franchisor”) and _____ a _____ (“Franchisee”) and is made effective as of the date beneath Franchisor’s signature to this Agreement (“Effective Date”).

RECITALS

Franchisor offers franchises for the operation of businesses that offer lab screening and testing services and other related services to a wide variety of client organizations, including businesses, schools, government, and private individuals that use the service marks, “ARCpoint,” “ARCpoint Labs,” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings, and other commercial symbols as Franchisor may designate to be used in connection with ARCpoint Labs businesses (the “Marks”) and the System (defined below) (“ARCpoint Labs business(es)”).

ARCpoint Labs businesses are operated using a set of uniform standards, procedures, and specifications developed by Franchisor that incorporate Franchisor’s unique methods and high standards of service, including valuable know-how, information, Confidential Information, training, sources and specifications, methods of Internet usage, and research and development, as may from time to time be added to, changed, modified, withdrawn, or otherwise revised by Franchisor (the “System”). The distinguishing characteristics of the System include Franchisor’s confidential operating procedures, the Manual, the Marks, and the standards and specifications for equipment, products and services, signage, methods of service, management and marketing programs, and sales techniques and strategies.

Franchisor continues to use, develop, and control the use of the Marks in order to identify for the public the source of products and services marketed under the System, and which represent the System’s high standards of quality, service, and customer satisfaction.

Franchisee acknowledges the benefits to be derived from being identified with the System and also recognizes the value of the Marks and the continued uniformity of image to Franchisee, Franchisor, and other franchisees of Franchisor.

Franchisee acknowledges the importance to the System of Franchisor’s high, uniform standards of quality, service, and customer satisfaction, and further recognizes the necessity of opening and operating an ARCpoint Labs business in conformity with the System.

Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor’s present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies, and related matters.

Franchisee is aware of the foregoing and desires the right to use the System and the Marks to operate an ARCpoint Labs business pursuant to the provisions and within the territory specified in this Agreement. Franchisor is willing to grant a franchise to Franchisee to operate an ARCpoint Labs business subject to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises, the covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby mutually agreed as follows:

1. DEFINITIONS

1.01 “Business Records” means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Franchised Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Franchised Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the databases, and all other records created and maintained by Franchisee in operation of the Franchised Business.

1.02 “Competitive Business” means any business that offers (or grants franchises or licenses others to operate a business that offers) laboratory services of any type, including, without limitation, high complexity services, moderate complexity services, low complexity services, reference lab services, services to physicians, hospitals, schools or businesses, testing for food allergies, hormones, blood or toxicology, vaccinations, drug screening, wellness, clinical, or other testing services or testing necessary for advanced regulatory compliance, including drug testing policies for all federal modalities (which includes but is not limited to The Federal Motor Carrier’s Safety Administration and U.S. Department of Transportation (“DOT”), or in which Confidential Information could be used to the disadvantage of Franchisor, its affiliates or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to an ARCpoint Labs business operated by Franchisee under a franchise agreement with Franchisor.

1.03 “Confidential Information” means any information or matter that is valuable to Franchisor because it is not generally known by the public the disclosure of which would put Franchisor and its affiliates at a competitive disadvantage, whether or not in written or tangible form, and regardless of the media (if any) on which it is stored, relating to the System (including knowledge and experience in operating ARCpoint Labs businesses, product specifications, operational and production techniques and methods, recordkeeping and reporting methods, accounting systems, management and personnel training techniques, sales and promotion techniques, strategic plans, including expansion strategies and targeted demographics, policies, procedures, standards, specifications for signs, displays, business forms and stationery, the Manual, research and development (including market research), lists of suppliers, suggested pricing and cost information, knowledge of operating results and financial performance of ARCpoint Labs businesses other than the Franchised Business, and all data generated by, or used or developed in operating the Franchised Business) and any other information or material identified to Franchisee by Franchisor as confidential.

1.04 “Franchised Business” means the franchised ARCpoint Labs business which Franchisee is granted the right to operate under this Agreement.

1.05 “Gross Revenue” means total of all receipts derived from services performed or products sold by the Franchised Business, wherever located and directly or indirectly related to the Franchised Business, whether through Lab Operations or Onsite/Online Operations, whether or not sold or performed at or from the Premises, whether the receipts are evidenced by cash, credit, checks, gift certificates, coupons, services, property, or other means of exchange and regardless of collection in the case of credit. Gross Revenue excludes sales tax receipts that Franchisee must by law collect from customers and that Franchisee actually pays to the government; promotional or discount coupons to the extent that Franchisee realizes no revenue; and employee receipt of services or products, if free, or any portion not paid for by an employee.

1.06 “Lab Operations” means the testing, screening and related products and services provided at the Premises of Franchisee’s brick-and-mortar ARCpoint Labs retail location.

1.07 “Manual” means Franchisor’s confidential and proprietary manual for developing and operating an ARCpoint Labs business, which may include, without limitation, requirements regarding business formats, pricing, methods, procedures, signage, equipment, services, products, standards, specifications, management, marketing, and use of the Marks. The Manual may consist of one or more separate manuals and other materials as designated by Franchisor as being part of the Manual, and may be in written or electronic form, or both.

1.08 “Onsite/Online Operations” means Franchisee’s business of (i) subcontracting with an approved online customer intake and test scheduling platform to permit clients to schedule laboratory services at a variety of collections sites; and (ii) providing certain testing, screening and related services and products on-site at clients’ or approved third parties’ businesses located within the Territory;

1.09 “Premises” means the brick and mortar site for the Lab Operations of the Franchised Business selected by Franchisee and approved in writing by Franchisor.

1.10 “Territory” means the geographic area described in Attachment I to this Agreement.

1.11 “TPA” means a third-party administrator that acts as the service agent that provides or coordinates one or more drug and/or alcohol testing services to employers with locations that span multiple territories under either a drug-free workplace program or DOT guidelines (each a “TPA Account”). TPAs typically provide or coordinate the provision of a number of such services and perform administrative tasks concerning the operation of the employers’ drug and alcohol testing programs. TPAs are not “employers” for purposes of this definition.

1.12 “Trade Secret” means information of Franchisor, without regard to form, including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which is not commonly known by or available to the public and which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

1.13 “Transfer” means for Franchisee (or any owner of Franchisee) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantial assets of the Franchised Business, (ii) this Agreement, (iii) any direct or indirect ownership interest of more than 25% in Franchisee, or (iv) control of the Franchised Business.

2. GRANT OF FRANCHISE

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, a revocable, non-exclusive, limited license to use the Marks and System to operate the Franchised Business by conducting: (i) Lab Operations at the Premises within the Territory, and (ii) Onsite/Online Operations within the Territory. Franchisee shall operate the Franchised Business for the entire term of this Agreement. Franchisee shall select the Premises within the Territory according to the process described in Section 10.02, the Manual, and any other writing by Franchisor. Franchisee may operate the Lab Operations portion of the Franchised Business only at the Premises within the Territory.

2.02 Modification of System. Franchisor reserves the right to periodically modify any part of the System and the System standards. Franchisee shall, at its own expense, comply with any such changes.

2.03 Ownership and Principal Contact of Franchisee. If Franchisee is an entity, (i) Franchisee shall designate the principal owner contact of the Franchised Business and complete the Statement of Ownership attached as Attachment III, (ii) all persons who directly or indirectly own more than 20% of Franchisee shall execute the Guaranty attached as Attachment IV, and (iii) Franchisee shall engage in no business other than the operation of the Franchised Business.

3. TERM AND RENEWALS

3.01 Term of Agreement. This Agreement begins on the Effective Date and will continue for a period of 10 years, unless earlier terminated as provided under this Agreement.

3.02 Renewal. At the end of the term of this Agreement, Franchisee may renew its license for one successive period of 10 years, provided Franchisor does not exercise its rights of refusal as set forth below.

3.03 Right of Refusal to Renew. Franchisor has the right to refuse to renew Franchisee's license if Franchisee:

(a) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice;

(b) has committed two or more material breaches of this Agreement in the 24 months prior to expiration;

(c) fails to give notice of Franchisee's intent to renew at least three months, but no more than 12 months, prior to the expiration of this Agreement (and failure to give timely notice will be considered an election by Franchisee not to renew this Agreement);

(d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates, or to any creditor at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire;

(e) fails to renovate and modernize the Franchised Business, including décor, signs, and equipment, to reflect the then-current image of Franchisor; or

(f) fails to sign a renewal franchise agreement as set forth in Section 3.04 below.

3.04 Renewal Franchise Agreement. Franchisee must execute a renewal franchise agreement and all other legal agreements in Franchisor's then-current form for new franchisees. These agreements may vary in material aspects from this Agreement, including, but not limited to, additional fees and a higher Royalty Fee. Upon signing the renewal franchise agreement, Franchisee, and each owner of Franchisee, must also execute a general release of claims against Franchisor and its affiliates, owners, employees, and agents in the form required by Franchisor. Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee but will be required to pay the renewal fee of \$10,000 to Franchisor at least 30 days before renewal.

4. LOCATION AND TERRITORY

4.01 Location. Franchisee must offer the Lab Operations of the Franchised Business only at the Premises approved by Franchisor (which, if known when this Agreement is executed, will be designated in Attachment I). Franchisee may not relocate the Premises without Franchisor's prior written approval.

4.02 Territory. Subject to Section 4.03, during the term of this Agreement, Franchisor will not own, operate or license a third party to operate any other “brick and mortar” business under the “ARCpoint Labs” Mark from an address within the Territory. Notwithstanding the foregoing, as of the Effective Date, clients in the Territory may exist that: (i) are already being serviced by another ARCpoint Labs business, either directly or as a TPA, or (ii) may be serviced by another ARCpoint Labs business as a TPA in the future due to the location of the client’s headquarters. Franchisee may not be able to provide services to those clients. Though Franchisor strives to keep an accounting of clients, Franchisor may not be aware of all accounts being serviced within a Territory.

4.03 Reservation of Rights. Notwithstanding any rights granted to Franchisee, Franchisor reserves the right to:

(a) own or operate, or license others to own or operate ARCpoint Labs businesses at any location outside of Franchisee’s Territory, regardless of the proximity to the Premises;

(b) operate or license others to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks at any location, both inside and outside of Franchisee’s Territory;

(c) operate or license others to operate businesses under the Marks that are not similar to ARCpoint Labs businesses at any location, both inside and outside of Franchisee’s Territory;

(d) develop, merchandise, sell and license others to sell products and services bearing the Marks including the products and services offered at ARCpoint Labs businesses through alternative channels of distribution both inside or outside of Franchisee’s Territory (other than at the Premises), including, but not limited to, television, mail order, catalog sales, wholesale sale to unrelated businesses, or over the Internet. Franchisor exclusively reserves the Internet as a channel of distribution for Franchisor as described in Section 9.04, and Franchisee may not independently market on the Internet or conduct e-commerce or Pay-Per-Click advertising, other than as approved by Franchisor;

(e) conduct marketing activities, including implementing multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers in any location, including within the Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs including, but not limited to, the price at which ARCpoint Labs businesses will be paid for providing services to a national account;

(f) purchase, be purchased, merge, acquire, be acquired or affiliate with a competitor or any other business regardless of the location of the competitor or business, and to operate, franchise or license these businesses as ARCpoint Labs businesses under the System or Marks or under other proprietary marks, regardless of the location of these businesses, whether such businesses are within or outside Franchisee’s Territory;

(g) solicit, market, advertise, and provide ARCpoint Labs authorized products and services to customers or accounts in the Territory that: (i) span multiple territories (e.g. TPA Accounts) or (ii) require services outside of Franchisee’s service offering capabilities. If Franchisor or its affiliates service an account as TPA that has its principal place of business in the Territory and the TPA Account was originally secured by Franchisee, then a mutually agreed upon revenue sharing arrangement shall be executed between Franchisor and Franchisee. Franchisor reserves the right to require that Franchisor or its affiliate act as TPA for all TPA Accounts in the future. In addition, if Franchisee provides any services to an account of Franchisor or its affiliate in the

Territory, Franchisee will also be entitled to a collection payment in an amount commensurate with the service performed and as set forth by Franchisor in writing from time to time for the performance of those services.

(h) Franchisor is not required to pay Franchisee if Franchisor exercises any of the rights specified in Sections 4.03(a) through 4.03(f).

4.04 Marketing and Solicitation Restrictions

(a) Franchisee has the right to solicit and pursue all potential businesses (“B2B Customers”) within the boundaries of the Territory. Franchisor, its affiliate or another franchisee may serve as the TPA for a B2B Customer within the Territory, in which case Franchisee may only service the TPA Account at the request of the TPA.

(b) Franchisee is prohibited from directly or indirectly soliciting or marketing to potential B2B Customers located outside of the Territory through any channel, including but not limited to the search engine optimization or Pay-Per-Click programs via the Internet (other than Franchisee’s ARCpoint Labs business website and social media and marketing managed by Franchisor’s approved vendors), catalog sales, or telemarketing, without prior written approval from Franchisor or the ARCpoint Labs business that owns the applicable territory. Notwithstanding the foregoing, Franchisee may market to group purchasing organizations and other professional organizations that include members in the Territory and in territories belonging to other ARCpoint Labs businesses, provided that Franchisee complies with the following requirements: (i) Franchisee must notify Franchisor and the other ARCpoint Labs businesses with territories that may encompass the organization’s memberships in advance by email and invite the other ARCpoint Labs businesses to participate in the marketing activities; and (ii) any accounts or customers that are derived from the organization will be serviced as an account or customer of the ARCpoint Labs business within whose territory the account or customer is located, unless Franchisor determines otherwise in Franchisor’s discretion.

(c) Franchisee may not advertise in any form of media specifically designed to be seen in a territory other than Franchisee’s own (e.g., advertising in a newspaper whose majority of subscribers live outside of the Territory), without prior written approval from Franchisor or the ARCpoint Labs business that owns the applicable territory. The management of an approved website or social media accounts via the Internet do not fall within this category of prohibited advertising.

(d) If Franchisee establishes an account with a B2B Customer which has its headquarters or principal place of business within the Territory, but due to the location of employees or additional locations will require collection services outside of the Territory, Franchisee may either: (i) service the account as a TPA using Franchisor’s approved software platform; or (ii) request that Franchisor serve as the TPA. If Franchisee services the account as a TPA, Franchisee shall use commercially reasonable efforts to use ARCpoint Labs businesses for collections whenever practicable. Notwithstanding the foregoing, this Section 4.04(d) shall only apply if the B2B Customer’s policies and procedures regarding testing and vendor selection are made at the corporate level. Franchisor reserves the right to require that Franchisor or its affiliate serve as TPA for all TPA Accounts in the future.

(e) For any potential state governmental TPA Account, excluding municipal, county, or other government TPA Accounts requiring collections solely within the Territory, Franchisee must notify Franchisor prior to engaging the client. Franchisor may, in its sole discretion, elect to

serve as the TPA for such account. For any such account for which Franchisor serves as the TPA, a mutually agreed upon revenue sharing arrangement shall be executed between Franchisor and Franchisee.

(f) If Franchisee receives an unsolicited lead for or a direct request for the performance of services or sale of goods from a potential B2B Customer located within the territory of another ARCpoint Labs business, Franchisee may not service the potential account without prior written authorization from the ARCpoint Labs business that owns that territory. Franchisee is encouraged, however, to engage the ARCpoint Labs business to discuss a revenue share, commission, or other form of compensation.

(g) If Franchisee receives an unsolicited lead for or a direct request for the performance of services or sale of goods from a potential B2B Customer in an unowned territory, Franchisee may not service the potential account without prior written authorization from Franchisor, which may be granted in Franchisor's sole discretion but will not be unreasonably withheld. Factors that Franchisor may consider in determining whether to approve a request under this Section include, without limitation, the size and complexity of the account, Franchisee's experience level, the number and proximity of other ARCpoint Labs businesses near the account, and the potential that the other territory may be assigned to a new ARCpoint Labs business. Upon the sale of the unowned territory, Franchisee may be required to transfer the account to the new ARCpoint Labs business.

(h) If at any point a disagreement between Franchisee and another franchisee occurs regarding territorial rights of any kind that Franchisor determine cannot be resolved between the parties without outside assistance, the parties will be required to cooperate with Franchisor. Franchisor will give due consideration to all input from all parties, but Franchisor retains the ultimate decision-making authority and responsibility for such matters.

5. FEES AND ROYALTIES

5.01 Payment. Franchisee shall make all payments to Franchisor by the method with Franchisor specifies from time to time. Franchisee shall execute an Authorization for Electronic Withdrawal, in form of Attachment II. Payments by Franchisee are not refundable.

5.02 Initial Franchise Fee. Franchisee must pay an initial franchise fee ("Initial Franchise Fee") upon the signing of this Agreement as set forth in Attachment I. The Initial Franchise Fee shall be deemed to have been fully earned by Franchisor when paid and is non-refundable.

5.03 Training Fees.

(a) Initial Training Fee. Franchisee must pay an initial training fee ("Initial Training Fee") in the amount of \$7,500 upon the signing of this Agreement. The Initial Training Fee covers the tuition for the initial training program described below in Section 8.01 for Franchisee (or, if Franchisee is an entity, Franchisee's principal owner contact), Franchisee's first full-time medical assistant (or phlebotomist) and Franchisee's manager (if Franchisee has hired a manager). The Initial Training Fee shall be deemed fully earned when paid and is non-refundable.

(b) Certified Professional Collector ("CPC") Training and Certification Fee. Franchisee, and all of Franchisee's employees providing specimen-collection services, must complete the CPC training and certification, including exams, as well as mock collections and proficiency demonstrations for DOT collections, to Franchisor's satisfaction before being qualified

to commence operating the Franchised Business. The Initial Training Fee covers the CPC training and certification for four people and is typically completed during the initial training program. Additional employees must be scheduled to be CPC trained and certified at another time and at Franchisor's then-current fee per additional employee (which is \$225 as of the Effective Date), plus any travel expenses incurred by Franchisor, if applicable.

(c) Breath Alcohol Technician ("BAT") Training and Certification Fee. Franchisee, and all of Franchisee's employees providing services, must complete the BAT training and certification, including exams, as well as the mock collections and proficiency demonstrations for DOT collections to Franchisor's satisfaction before being qualified to commence operating the Franchised Business. The Initial Training Fee covers BAT training and certification for four people and is typically completed during the in-person initial training program or by interactive, web-based methods. Additional employees must be scheduled to be BAT trained and certified at another time and Franchisee must pay Franchisor's then-current fee per additional employee (which is \$225 as of the Effective Date), plus any travel expenses incurred by Franchisor, if applicable.

5.04 Royalty Fee. Beginning with the first full month after Franchisee commences Onsite/Online Operations, Franchise must pay to Franchisor a monthly royalty in the amount of the greater of (i) \$350 or (ii) 7% of Gross Revenues for such month ("Royalty Fee"). The Royalty Fee for any calendar month is due to Franchisor by the 15th day of the month following such calendar month.

5.05 Technology Fee. Beginning 60 days after the Effective Date and until Franchisee commences its Lab Operations, Franchisee shall pay a monthly technology services fee ("Technology Fee") to Franchisor in the amount of \$300 in the same manner and at the same time as the Royalty Fee payment. Each month after Franchisee commences Lab Operations, Franchisee shall pay a Technology Fee to Franchisor in the amount of \$450. The Technology Fee covers ongoing staff support and maintenance of technology systems. Franchisor reserves the right, at its sole discretion, to increase the Technology Fee periodically (up to a maximum Technology Fee of \$600), for any reason, including but not limited to an increase in the cost of the items covered by the Technology Fee, and Franchisee shall pay any increased Technology Fee as Franchisor directs.

5.06 Doctor Referral Fee. Most tests performed by ARCpoint Labs businesses must be referred by a physician. Franchisee may establish its own referral network, subject to Franchisor's approval, which may not be unreasonably withheld. Franchisor may also elect to provide the physician(s) for Franchisee, in which event Franchisee will be required to pay a reasonable doctor referral fee to the physician(s) as negotiated by Franchisor (which, as of the Effective Date, is \$2.00 per requisition or the negotiated flat fee rate). This fee will be payable quarterly on the 15th day of the month following the previous calendar quarter and/or as described in the Manual and may change from time to time. If Franchisee is owned by a physician, or has recruited its own physician, then the physician may refer the test and forgo the doctor referral fee.

5.07 Late Charges, Fees, and Costs of Collection. Franchisee must pay interest at the rate of 1.5% per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is less. Franchisor may charge a late fee in the amount of the greater of \$100 or 5% of the amount due. Franchisor may charge a fee for any payment returned for insufficient funds in the amount of the greater of \$100 or 5% of the amount due. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees that Franchisor incurs in connection with Franchisee's failure to make any required payments.

5.08 Taxes and Debts. Franchisee must pay when due all taxes, debts, and expenses of the Franchised Business.

6. MARKS

6.01 Authorized Marks. Franchisee shall use no Marks other than “ARCPoint” or “ARCPoint Labs” or any other Marks that Franchisor may specify from time to time. Franchisee shall use all Marks specified by Franchisor, and only in such manner as Franchisor may require. Franchisee must use the Marks as the sole identification of the Franchised Business. Franchisee may not, during or after the term of this Agreement, engage, directly or indirectly, in any conduct that would infringe upon, harm or contest Franchisor’s rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Franchised Business in compliance with this Agreement.

6.02 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee’s expense.

6.03 Identification. Franchisee must identify itself as the independent owner of the Franchised Business in the manner prescribed by Franchisor. Franchisee must display at the Franchised Business signage prescribed by Franchisor identifying the Premises as an independently owned franchise and Franchisee shall post the ARCPoint Labs Franchise Opportunity signage at the Franchised Business as specified by Franchisor.

6.04 Limitations on Use. Franchisee is hereby required to use the Marks in accordance with Franchisor’s requirements. Franchisee may not use any of the Marks alone or with modifying words, designs or symbols, or any of the words in the Mark as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, meta tags or search techniques except as Franchisor licenses to Franchisee. If Franchisee purchases a URL that includes the Marks (or any similar marks), the URL will become Franchisor’s property and Franchisee must transfer ownership to Franchisor within 15 days of receiving written notice. Purchasing that type of URL or the failure to transfer ownership to Franchisor shall each be a default under this Agreement. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious, assumed name, or “doing business as” (dba) registrations as may be required under applicable law to do business as an ARCPoint Labs business. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark. Franchisee shall include on its letterhead, forms, cards, and other such identification a prominent notice stating that the Franchised Business is Franchisee’s “Independently Owned and Operated ARCPoint Labs Franchise.”

6.05 Goodwill. All usage of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee’s operation of the Franchised Business or other activities will inure to the exclusive benefit of Franchisor.

6.06 Infringement. If any person or entity improperly uses or infringes the Marks or challenges Franchisee’s use or Franchisor’s use or ownership of the Marks, Franchisor will control all litigation and other proceedings and Franchisor has the right to determine whether suit or other proceeding will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. Franchisee must promptly notify Franchisor of any such use or infringement of which Franchisee becomes aware or any challenge or claim arising out of Franchisee’s use of any Mark. Franchisee must take

reasonable steps, without compensation, to assist Franchisor with any action Franchisor undertakes. Franchisor will be responsible for its fees and expenses incurred in connection with any such action, unless the challenge or claim results from Franchisee's misuse of the Marks in violation of this Agreement, in which case Franchisee must pay Franchisor for its costs and expenses including its attorney's fees.

7. MANUAL AND CONFIDENTIAL INFORMATION

7.01 Confidential Information. The System, the Manual, and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to: (a) adhere to all security procedures prescribed by Franchisor for maintaining the Confidential Information as confidential, (b) disclose such information to its employees only to the extent necessary for the operation of the Franchised Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information.

7.02 Manual. Franchisor will loan to Franchisee during the term of this Agreement one copy of the Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. The Manual will contain both mandatory System standards and recommended standards. Any required System standards exist to protect Franchisor's interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required System standards generally will be set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required System standards. In some instances, the required System standards will include recommendations or guidelines to meet the required System standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required System standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the System and the Marks, Franchisor reserves the right to determine if Franchisee is meeting a required System standard and whether an alternative is suitable to any recommendations or guidelines.

7.03 Nondisclosure and Noncompetition Agreements. Franchisee and its owners shall execute Franchisor's standard Nondisclosure and Noncompetition Agreement before performing any work at the Franchised Business or otherwise having access to Franchisor's Confidential Information. The current version is attached to this Agreement as Attachment V. Franchisor also may require Franchisee to have key employees sign a standard nondisclosure agreement in a form that meets Franchisor's standards.

7.04 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the development, marketing or operation of the Franchised Business ("Innovations") conceived or developed by Franchisee, its employees, independent contractors or other persons or entities acting on Franchisee's behalf. Franchisor will automatically own all such Innovations and will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

8. TRAINING

8.01 Initial Training. Within 60 days prior to the commencement of Franchisee's Onsite/Online Operations, or any other time as may be mutually agreed upon, Franchisor will provide its initial training program to Franchisee. Franchisee (or, if Franchisee is an entity, Franchisee's principal owner contact), Franchisee's first full-time medical assistant (or phlebotomist) and Franchisee's manager (if Franchisee has hired a manager) must successfully complete the initial training program to Franchisor's satisfaction. Franchisor will provide the initial training program at its corporate headquarters, or at another location designated by Franchisor. The initial training program lasts for approximately one week and consists of such training as Franchisor deems appropriate. In addition to payment of the Initial Training Fee, Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training. Franchisee must pay Franchisor's then-current training fee for any additional people who attend the initial training program.

8.02 Training of Employees. Franchisee shall train its employees according to standards and procedures established by Franchisor. Any training provided by Franchisor to any of Franchisee's employees will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the System. Franchisee is, and will remain, the sole employer of its employees at all times, including during all training programs, and Franchisee is solely responsible for all employment decisions and actions related to Franchisee's workers. Franchisee is solely responsible for ensuring that its employees receive adequate training.

8.03 Ongoing Training; Conferences.

(a) A member from Franchisor's operations team will visit the Premises either in person or virtually to assess, train and advise on Franchisee's operational organization ("Operations Visit"). Typically, the Operations Visit will occur during the first quarter following the commencement of Lab Operations of the Business. During this Operations Visit, Franchisor will provide training, facilitate scenarios, and walk through operational processes with Franchisee and the staff of the Franchised Business. If Franchisee unilaterally cancels or reschedules the Operations Visit, Franchisee shall pay any direct costs and expenses incurred by Franchisor at the point of Franchisee's cancellation.

(b) Franchisor may require Franchisee and/or any of its employees to attend and complete additional training programs, either as part of System-wide requirements or as remedial training specifically for Franchisee and/or any of its employees. Franchisor may charge a reasonable fee for such training programs. Franchisor may also require Franchisee to attend one or more regional or national System conventions and may impose a uniform conference fee on all Franchisees regionally or nationally to fund such conferences, regardless of attendance. Franchisee will be responsible for all travel and other expenses of attending training programs and conferences.

(c) Any training that Franchisor may provide to any of Franchisee's employees will be limited to training or guiding the employees regarding the delivery of approved services to customers in a manner that reflects the customer service standards of the ARCpoint Labs System. Franchisee is, and will remain, the sole employer of its employees at all times, including during all training programs, and Franchisee is solely responsible for all employment decisions and actions related to its employees. Franchisee is solely responsible for ensuring that its employees receive adequate training.

8.04 Continuing Assistance. Franchisor will provide ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours, to the extent Franchisor deems

appropriate. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.05 Drug Alcohol Testing Industry Association Membership. Franchisee (or Franchisee's principal owner contact, if Franchisee is an entity) and the manager of the Franchised Business, if applicable, must become members of the National Drug & Alcohol Screening Association ("NDASA") during the first year after signing this Agreement; however, it is recommended that Franchisee continues to be a member NDASA and attend the NDASA conference annually thereafter. Franchisee is responsible for the cost of the NDASA safety training program, including, but not limited to, lodging, transportation, food, salary, and any course materials.

9. SOLICITATION AND ADVERTISING

9.01 Limit on Solicitation. Franchisee shall not market or advertise the services of the Franchised Business towards customers who reside outside of the Territory, except to the extent such marketing or advertising is incidental to marketing and advertising targeted within the Territory.

9.02 Local Advertising Requirement.

(a) Franchisee must spend: (i) throughout the first 12 months of Lab Operations, at least \$15,000 for mandatory advertising and marketing expenses (these expenses may include, but may not be limited to, online marketing (website management), Pay-Per-Click, Ad campaigns, Google Ad Words campaign, social media management, organic search engine optimization, a sales promotional start-up package, sales leads, target marketing list purchase, grand opening package, and lab start-up package and public relation marketing, which builds mutually beneficial relationships), at Franchisor's direction; and (ii) beginning with the 13th month of Lab Operations, the greater of \$9,000 or 3% of the Gross Revenues of the Franchised Business during each 12-month period, on advertising and marketing expenses ("Local Advertising Requirement"). If Franchisee fails to meet the Local Advertising Requirement, Franchisee must pay Franchisor the difference between what Franchisee spent during the applicable 12-month period and the Local Advertising Requirement, which will be contributed to the National Marketing Fund.

(b) Local advertising, marketing, and promotion expenses shall include only those out-of-pocket costs directly associated with the pre-approved development, production, placement, procurement of printed materials or advertising space or time dispersed or disseminated in by Franchisee in the Territory. Directly associated, out-of-pocket costs for payment of marketing or advertising professionals, postage, printing, copying, long-distance phone calls, attendance or participation in local events meant to promote the business (including any hosted at the Franchised Business), and any other pre-approved costs and expenses shall also be included as out-of-pocket costs. Any costs or expenses not specifically listed in the Manual must be pre-approved by Franchisor. Franchisee must account to Franchisor, in any manner prescribed, for all amounts spent for local advertising and marketing.

9.03 Advertising and Marketing Materials. Franchisor will provide Franchisee with access to advertising and marketing materials which may include, but are not limited to, video and audiotapes, multimedia, print-ready materials, posters, banners, and displays. Franchisee must purchase any advertising and marketing materials specified by Franchisor. Franchisee must obtain Franchisor's prior written approval for any use of any marketing or advertising item not specified by Franchisor. Franchisee may develop marketing material for Franchisee's own use, at Franchisee's own cost. If Franchisee chooses to use its own marketing materials for the Franchised Business, then prior to Franchisee's use of the material,

Franchisee must submit the proposed material for pre-approval by a member of the Franchise Success team to ensure they are brand compliant. Franchisor will approve or deny Franchisee's request, in writing, within 30 days following submittal. Franchisor shall retain property rights in all copyrights in any and all marketing materials that Franchisee develops or are developed for Franchisee. Franchisor reserves the right to utilize any marketing materials developed by Franchisee for the use of all ARCpoint Labs businesses without any payment or other compensation to Franchisee.

9.04 Internet Marketing. Franchisor has the exclusive right to conduct and manage all marketing and advertising on the Internet or other electronic medium, including any "social media" marketing. Franchisee shall not conduct such marketing and advertising or establish any social media presence independently, except as Franchisor may specify, and only with Franchisor's prior written consent in Franchisor's sole discretion. Franchisee may provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any linking to or other use of Franchisor's website. Franchisee must follow all blogging and social media policy as outlined in the Manual. Franchisor will maintain an Internet presence for ARCpoint Labs businesses, which will include information regarding the Franchised Business.

9.05 Advertising Cooperative / Multi-Area Marketing. Franchisee may be required to participate in Advertising Cooperatives and/or Multi-Area Marketing within a specified area. Franchisor may require a contribution of up to 3% of monthly Gross Revenue to these programs. Any contributions made to the Advertising Cooperative / Multi Area Marketing fee will be in addition to any contributions due to the National Marketing Fund, once implemented. In addition, Franchisor may operate (or approve other parties to operate) marketing programs which target customers and potential customers on a local, regional, and/or national level, including Internet and email marketing, telemarketing, radio, television, and any other marketing which may include Franchisee's Territory, provided, however, that Franchisee will have the first right to provide services which are mandatory elements of the System to any customers within its Territory (if applicable). Franchisor may require Franchisee to pay a referral fee and/or participate in a revenue sharing arrangement for any customers generated by multi-area marketing. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

9.06 National Marketing Fund. Franchisor has established a National Marketing Fund to promote the System on a regional, national, and/or international level. Franchisor requires Franchisee to pay a contribution to the National Marketing Fund of up to 3% of Franchisee's Gross Revenue at the same time and in the same manner as the Royalty Fee. Franchisor will hold the National Marketing Fund contributions from all franchisees in a bank account separate from Franchisor's other accounts. Franchisor will use the National Marketing Fund for advertising, marketing and promotional programs (including at local, regional, national, and/or international level), development and maintenance of any Internet or e-commerce programs, market research, public relations, media or agency costs, trade shows and other events, and for administrative and overhead expenses incurred in administering the National Marketing Fund (including the compensation of Franchisor's employees working with the National Marketing Fund and for accounting, bookkeeping, reporting, legal and other expenses related to the National Marketing Fund). Franchisor may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Franchisee acknowledges and agrees that expenditures from the National Marketing Fund may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. The National Marketing Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the National Marketing Fund. Franchisor may accumulate these funds, and the balance may be carried over to subsequent years. If the National Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the National Marketing Fund on any terms Franchisor determines. Franchisor will prepare an unaudited annual

financial statement of the National Marketing Fund within 120 days of the close of Franchisor's fiscal year and will make such financial statement available to Franchisee upon request.

9.07 National Advisory Council: Franchisor has established an ARCpoint Labs Franchise System National Advisory Council ("NAC") which will enhance communication between Franchisor and franchisees and serve in an advisory capacity with respect to a variety of issues. The NAC will consist of both franchisees and Franchisor representatives, and members will be selected as provided in the NAC's bylaws. Franchisor reserves the right to form, change, or dissolve the NAC, in Franchisor's sole discretion.

10. SITE SELECTION, CONSTRUCTION AND OPENING REQUIREMENTS

10.01 Commencement of Onsite/Online Operations. Within 60 days of the Effective Date, Franchisee shall commence operating the Franchised Business in the Territory for Onsite/Online Operations. Failure to open for Onsite/Online Operations within the specified time frame, may result in termination of the Franchise Agreement, and Franchisor will retain all monies collected. During such Onsite/Online Operations, Franchisee shall be responsible for diligently performing its remaining obligation to open the Franchised Business at the Premises for Lab Operations. Franchisee acknowledges and understands that it shall not be permitted to perform patient collections or other laboratory services at any site or location other than the Premises approved by Franchisor or on-site at the client's or approved third parties' location.

10.02 Site Selection and Assistance. Franchisee is solely responsible for locating and acquiring a site for the Lab Operations of the Franchised Business. Franchisor will advise Franchisee about selecting and analyzing a site for the Franchised Business. Franchisee's site for the Franchised Business is subject to Franchisor's approval. Franchisor's approval, advice or assistance in no way constitutes a representation or warranty with respect to the property, the viability of its location or the lease. Franchisee must complete Franchisor's form of site description, and deliver to Franchisor any traffic, competition, and demographic and similar site information relating to the proposed site that Franchisor reasonably requests. Franchisee must obtain Franchisor's written acceptance of the site within six months of the Effective Date.

10.03 Lease Addendum. Franchisee must use commercially reasonable efforts to have Franchisee's landlord to execute Franchisor's form of Lease Addendum, a copy of which is attached to this Agreement as Attachment VI, or amend the lease to contain such provisions as Franchisor may reasonably require, including, but not limited to the following provisions:

(a) on termination or expiration of this Agreement for any reason, Franchisor or its designee will have the option for 30 days to assume Franchisee's remaining lease obligations without accruing any liability regarding the lease prior to the effective date of any assignment, together with the right to further assign the lease to another franchisee; or Franchisor will have the right to execute a new lease for the remaining term on the same terms and conditions;

(b) all notices of default to Franchisee under the lease must be sent contemporaneously to Franchisor; and

(c) in the event Franchisee defaults under the lease, Franchisor will have an opportunity, but not the obligation, to cure such default and obtain an assignment of the lease for its benefit, or the benefit of another franchisee.

10.04 Design and Construction. Franchisee must construct or convert a building and equip the site, at Franchisee's expense, in a good and workmanlike manner as specified by Franchisor. Franchisor will provide Franchisee with standard sample floor layouts and architectural plans. All interior designs,

construction, build out or conversion work must be completed by a contractor approved by Franchisor, and in accordance with the standards and specifications of Franchisor, and must conform to all applicable zoning and other requirements of local authorities. Franchisee must submit plans for Franchisor's approval before beginning construction. Franchisor will approve or disapprove the plans within 30 days of submission. Franchisor's approval of the plans in no way constitutes a representation of warranty with respect to the adequacy of the construction or compliance with any applicable laws.

10.05 Opening. Prior to opening for Lab Operations, Franchisor, to the extent it deems appropriate, will advise Franchisee regarding equipment, signs, fixtures, opening inventory, supplies, and the recruitment of a licensed medical provider to oversee the medical needs of the Franchised Business. Franchisee must open the Franchised Business for Lab Operations to the public at the Premises within 270 days from the Effective Date. Franchisee shall not begin Lab Operations of the Franchised Business until Franchisee has satisfied all of Franchisor's opening requirements (including completion of training, obtaining insurance, obtaining all business permits and complying with applicable laws) specified in the Manual or otherwise, and obtaining Franchisor's approval, which shall not be unreasonably withheld. Failure to open the Franchised Business for Lab Operations within the specified time frame, may result in termination of the Franchise Agreement, and Franchisor will retain all monies collected.

11. RECORDS AND REPORTS

11.01 Bookkeeping System. Franchisee shall use such administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify from time to time.

11.02 Reports.

(a) Franchisee shall report or confirm Gross Revenues for each month by the 5th day of the following month in the manner specified by Franchisor. If Franchisee fails to report Gross Revenues by such date, Franchisor may estimate such Gross Revenues and use such estimate as a basis for calculating and collecting payment of the prior month's Royalty Fee, until the correct amount is known to Franchisor.

(b) Franchisee shall provide to Franchisor current and accurate monthly, quarterly, and year-to-date financial information in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall prepare all financial statements in accordance with generally accepted accounting principles.

(c) If requested by Franchisor, Franchisee shall provide Franchisor with copies of any sales tax returns and reports with respect to the Franchised Business. Franchisee will notify Franchisor promptly of all adjustments or corrections to such returns or reports, and of the existence and disposition of any audits or disputes in connection with such returns or reports.

(d) Franchisee shall submit to Franchisor such other financial statements, reports, records, customer information, vendor information, copies of contracts and agreements, reports and documents related to any litigation, and other documents and information related to the Franchised Business as specified in the Manual or that Franchisor may reasonably request, and in such format as Franchisor may require.

11.03 Business Records of Franchisee. Franchisee shall keep accurate books and records reflecting all activities, expenditures and receipts of the Franchised Business, with supporting documents (including, but not limited to, customer records, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices)

for a period of not less than seven years. Franchisor may specify additional record-keeping requirements in the Manual.

11.04 Access. Subject to patient privacy laws, such as those protected under laws such as HIPPA, Franchisee acknowledges and agrees that Franchisor, at all times during and after the termination or expiration of this Agreement, has the right to access the Business Records of the Franchised Business, and may utilize, transfer, copy or analyze such Business Records as Franchisor determines to be in the best interest of the System.

11.05 Release of Records. At Franchisor's request, and subject to and in accordance with applicable law, Franchisee shall authorize and direct any third parties, including vendors and accounting professionals, to release to Franchisor all vendor records, accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Revenues, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, customer information, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor. Franchisor shall accept copies of documents provided under third party supervision.

11.06 Audits. Franchisor shall have the right, at any time, to have an independent audit made of Franchisee's books at Franchisor's expense. Franchisee must maintain all books, records, and tax returns of Franchisee and supporting documents at all times and provide copies of requested documentation within 15 days of Franchisor's request. Franchisee will fully cooperate with Franchisor's designated agents hired to conduct any examination or audit. If any requested documentation is not provided when requested, Franchisee will be considered in default of this Agreement and Franchisee will be required to reimburse Franchisor all fees and expenses incurred as the result of this default. If an inspection should reveal that any payments to Franchisor have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the maximum rate permitted by law or 18% per annum, whichever is less. If an inspection discloses an understatement in any report of 2% or more, such understatement shall constitute a default under this Agreement and Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). If requested by Franchisor, Franchisor or its designated agents may also examine, audit and copy, at its expense, the tax returns of each individual Franchisee or of the equity owners of any entity franchisee. The foregoing remedies shall be in addition to any other remedies which Franchisor may have.

12. OPERATION OF THE FRANCHISED BUSINESS

12.01 Compliance with Law. Franchisee and the Franchised Business shall comply with all applicable laws and regulations, including, without limitation, all laws and regulations related to the practice of medicine or therapy (or prohibition thereof), payment and billing, and privacy. FRANCHISEE IS SOLELY RESPONSIBLE FOR ENSURING THAT FRANCHISEE, ALL MEDICAL PROFESSIONALS WHOM FRANCHISEE EMPLOYS OR CONTRACTS WITH, ALL RELATIONSHIPS BETWEEN FRANCHISEE AND ANY MEDICAL PROFESSIONALS, PHYSICIAN PRACTICES, OR OTHER ENTITIES, AND ALL SERVICES PERFORMED AT OR THROUGH THE FRANCHISED BUSINESS COMPLY WITH APPLICABLE LAWS, RULES AND REGULATIONS AT ALL TIMES.

12.02 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time. Franchisor may develop new designs,

products and service methods, as Franchisor deems beneficial to the System. Franchisor may require Franchisee to add additional concepts to the Franchised Business in the future, which shall be included in Franchisee's Gross Revenues.

12.03 Personal Participation. Franchisee (if Franchisee is an individual), Franchisee's principal owner contact (if Franchisee is an entity), or a fully trained and qualified manager approved by Franchisor must participate personally and full-time in the Franchised Business.

12.04 Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to reasonably inspect the operations of the Franchised Business. Without any liability to Franchisee, Franchisor may remove any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this Agreement. Franchisor shall have the right to observe Franchisee and its customers/clients rendering services, to confer with Franchisee's employees and customers/clients and to generally review the Franchised Business operations for compliance with the standards and procedures set forth in the Manual. Any evaluation or inspection Franchisor or an authorized agent or representative conducts is not intended to exercise control over Franchisee's day-to-day operation of the Franchised Business or to assume any responsibility for Franchisee's obligations under this Agreement.

12.05 Restriction on Services and Products; Approval Process.

(a) Franchisee shall offer for sale only products and services authorized by Franchisor as being a part of the System from time to time. Franchisee shall offer all products and services which Franchisor designates as mandatory under the System.

(b) If Franchisee desires to offer any services or products that are not authorized by Franchisor, Franchisee must first request approval in writing from Franchisor. Franchisor may, in its sole discretion withhold approval. Franchisor may require submission of product samples and may require testing by third parties at Franchisee's expense.

12.06 Suppliers.

(a) Right to Set Standards and Designate Approved Suppliers. If Franchisor has specified a standard and/or designated or approved a supplier or suppliers for any products, prescription medications, inventory items, supplies, equipment, and services for the Franchised Business, Franchisee shall purchase the same only if they meet such standard and/or from an approved supplier, as applicable. Franchisor may, at any time, withdraw its designation or approval of any supplier, and Franchisee shall thereafter cease purchasing from such supplier. Franchisor may designate itself or any affiliate as an approved or sole supplier.

(b) Supplies and Supplier Approval. If Franchisee proposes to purchase any product, inventory items, supplies, equipment, or services for the Franchised Business which are not previously approved by Franchisor as meeting its specifications or are from unapproved suppliers, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion withhold approval. Franchisor may require submission of design specifications and samples and may require testing by third parties at Franchisee's expense. Franchisor will advise Franchisee, in writing, within a reasonable time whether such supplies or supplier meets Franchisor's specifications. Failure to provide its written consent shall be deemed a denial of such supplies or supplier. Suppliers must at all times meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately

demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Franchised Business.

(c) Limitations on Supply Obligations. Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product or service, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell prescription medications and supplies to Franchisee.

(d) Central Purchasing. Franchisor reserves the right to implement a centralized purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by ARCpoint Labs businesses. Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

(e) Compliance with Supply Arrangements. Franchisee shall comply with all terms, conditions, and obligations of all contracts and arrangements with suppliers, including contracts and arrangements negotiated by Franchisor or third parties as part of a network or multiple-franchise supply and distribution arrangement, and Franchisee's contracts with and obligations to suppliers. Franchisee shall promptly pay all suppliers in accordance with the agreed-upon terms. In the event Franchisee fails to promptly pay one or more suppliers as required, Franchisor may, but is not required to, pay such suppliers on behalf of Franchisee, and Franchisee shall promptly reimburse Franchisor for such payment following notice from Franchisor, or Franchisor may obtain payment through electronic fund transfer procedures.

12.07 Specific Required Suppliers and Systems. Without limiting Franchisor's general right regarding standards and suppliers in Section 12.06, Franchisee acknowledges and agrees that certain approved products and supplies may only be available from one approved supplier source, and Franchisor or its affiliates may be that source. Franchisee will pay the then-current price in effect for any approved products and supplies Franchisee purchases from Franchisor or its affiliates. In addition, Franchisor requires:

(a) Lab Services. For lab testing (of blood samples and otherwise), Franchisee must only use the lab testing company or companies designated by Franchisor. Franchisor may change the designated lab testing company or companies at any time.

(b) Background Check Systems. For background checks on potential employees, Franchisee must use only the provider designated by Franchisor. Franchisor may change the designated background check provider at any time.

(c) Bookkeeping and Accounting. Franchisee must use the systems approved by Franchisor for bookkeeping and accounting for the Franchised Business. Franchisee must keep track of all revenue via the system approved by Franchisor. Franchisor may change the designated systems at any time. Franchisee must authorize access to automated reporting tools.

12.08 Pricing. Franchisor has the right, if permitted by applicable law, to establish minimum and maximum prices for products and services that Franchisee offers to customers in connection with the Franchised Business, including, without limitation, resale prices for use with multi-area marketing programs and special price promotions. If Franchisor does not establish such pricing requirements, then Franchisee will have the right to determine the prices it will charge.

12.09 Notification of Proceedings. Franchisee shall notify Franchisor by email of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Business and provide a copy of any documentation of any such commencement of a suit or proceeding or any order, writ, injunction, award or decree not more than two days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than two days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate, or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule, or regulation.

12.10 Insurance. Franchisee must maintain insurance policies in types and amounts as specified by Franchisor periodically in the Manual. Insurance coverage must include Medical Professional Liability, General Liability (including Products & Completed Operations Liability, Premises Liability, Personal and Advertising Injury), Data Breach Liability, Non-Owned Automobile Liability, Workers' Compensation and Employer's Liability medical malpractice, general liability, combined single limit, bodily injury and property damage insurance for premises operations, Umbrella Liability, and Property Insurance. The insurance company must be rated "A+" by A.M. Best's guide. "ARCpoint Franchise Group, LLC" (or any successor) must be listed as an Additional Insured on the Medical Professional Liability, Data Breach Liability and General Liability policies. Certificates of Insurance evidencing such coverage must be provided to Franchisor upon annual renewal of the insurance coverage, as well as at any time upon request of Franchisor. The policies must also stipulate that Franchisor shall receive a 30 day prior written notice of cancellation. In the event Franchisee fails to obtain or provide proof the required insurance and keep the same in full force and effect, Franchisor may (but is not required to) obtain such insurance on Franchisee's behalf and charge the premiums to Franchisee, which charges, together with a 20% administrative fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

12.11 Customer Service. Franchisee shall (i) give prompt, courteous and efficient service to the public, and (ii) otherwise operate the Franchised Business in compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee shall establish and maintain an image and reputation for the Franchised Business consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor. Franchisee shall keep the Franchised Business clean and in good order and repair at all times.

12.12 Appearance and Condition of the Franchised Business. Franchisee shall maintain the premises of the Franchised Business and any vehicles, furniture, fixtures, equipment, and signage in "like new" condition and in accordance with the System standards. Franchisee agrees to repaint the premises of the Franchised Business every three years, at Franchisee's cost. Franchisee also agrees to remodel the premises of the Franchised Business every five years, at Franchisee's cost pursuant to Franchisor's guidelines at the time. The requirements set forth in this Section are in addition to, and do not limit, Franchisee's obligation to add, update, and/or replace components of the Franchised Business from time to time as specified in other Sections of this Agreement, including modifications to the System standards as described in Section 2.02 and renewal terms under Section 3.

12.13 Correction of Defects. Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Franchised Business, Franchisee shall correct any such items as promptly as possible, and in any event within 30 days. The foregoing shall not be deemed to limit Franchisor's rights under Section 13.

12.14 Laboratory Audits. Franchisor reserves the right to conduct a laboratory audit of the Franchised Business and compliance with applicable federal and state Clinical Laboratory Improvement Amendments (“CLIA”) regulations, including a review of Franchisee’s standard operating procedures (“Laboratory Audit”), if Franchisor deems a Laboratory Audit to be necessary or proper, including if Franchisor learns of or has reason to believe that Franchisee is violating this Agreement or any of Franchisee’s other legal obligations or if required by applicable state or federal law. If Franchisor conducts a Laboratory Audit, Franchisee shall pay Franchisor’s then-current fee plus any costs or expenses incurred in connection with the Laboratory Audit.

12.15 Indemnification.

(a) Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent entities, subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Franchised Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement (regardless of cause or any concurrent, superseding or contributing fault, liability or negligence of Franchisor or its affiliates). For purposes of this indemnification, “claims and liabilities” include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

(b) It is the intention of the parties to this Agreement that Franchisor shall not be deemed a joint employer with Franchisee for any reason; however, if Franchisor incurs any cost, liability, loss or damage as a result of any actions or omissions of Franchisee or Franchisee’s employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify Franchisor for any such cost, liability, loss and damage.

12.16 Computer System.

(a) Franchisee is required, at Franchisee’s expense, to purchase or lease, and thereafter maintain and upgrade and use, only such computer(s), hardware (including, without limitation, laptops), software (including, without limitation, point-of-sale, financial reporting, and operational drug testing software), firmware, web technologies or applications, required dedicated Internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as Franchisor specifies in the Manual or otherwise in writing (collectively the “Computer System”). Franchisee must have Internet access with a form of high speed connection as Franchisor may require and Franchisee must maintain a dedicated email account for the Franchised Business, separate from any personal or other email account.

(b) Franchisee is solely responsible for all costs associated with the Computer System, including, without limitation, license and usage fees, and costs of installation, maintenance, upgrading, updating, upgrades, enhancements and/or replacements, or support. Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. Franchisee agrees that Franchisor will have the right to establish, in writing, new standards for the implementation of technology in the Computer System, and Franchisee agrees to comply with all modifications or changes to the Computer System, including software, that that Franchisor establishes from time to time. These upgrades or additions may result in an increase to the Technology Fee.

(c) Franchisee shall use the Computer System to maintain its Business Records, Customer Information (as defined below), and sales and other financial information (“Franchisee Data”) in a format or using any software that may be specified by Franchisor in the Manual or by other written communication from time to time. Franchisee shall ensure that Franchisor has full access to all such information and records stored on the Computer System, including Franchisee’s sales data and related information by means of direct electronic access, to permit Franchisor to access all Franchisee Data at any time of its choosing to verify Franchisee’s compliance with its obligations under this Agreement.

(d) The Computer System will be used, among other things, to develop a database of customers and prospective customers and other related Customer Information schedule appointments, maintain communications over the Internet, and produce Franchisee’s accounting records. “Customer Information” means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any customer. Franchisor owns all Customer Information and may use the Customer Information as Franchisor deems appropriate (subject to applicable law), including sharing it with Franchisor’s affiliates for cross-marketing or other purposes. Franchisee may only use Customer Information to the extent necessary to perform Franchisee’s obligations under this Agreement during the term of this Agreement and subject to such restrictions as Franchisor may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with Franchisee’s collection, storage, and Franchisee’s use and Franchisor’s use of such Customer Information, including, if required under applicable law, obtaining consents from customers to Franchisor and Franchisor’s affiliates’ use of the Customer Information.

(e) Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements (“Privacy Laws”), as well as data privacy and security policies, procedures and other requirements Franchisor may periodically establish. Franchisee must fully cooperate with Franchisor and its counsel in determining the most effective way to meet Franchisor’s standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee is responsible for any financial losses Franchisee or Franchisor incurs or remedial actions that Franchisee or Franchisor must take as a result of breach of security or unauthorized access to Customer Information in Franchisee’s control or possession.

(f) Franchisee may be required to license software from Franchisor, its affiliate, or a third party and Franchisee also may be required to sign software license agreements and pay an additional software licensing or user fee(s) in connection with Franchisee’s use of the software. All right, title and interest in and to the software will remain with the licensor of the software. Franchisee will be liable for all damages (under this Agreement, any other software license agreement Franchisee executes, and under applicable law) and problems caused by Franchisee’s use of any software on the Computer System.

12.17 Computer Problems, Viruses, and Attacks. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee’s suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking

reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12.18 Data Breach Notification. If Franchisee learns of an incident that may be a data breach, Franchisee must immediately notify Franchisor of the facts that are known about the incident. Although Franchisee is responsible for complying with all System standards and applicable laws regarding data breach notification, Franchisee shall coordinate with Franchisor regarding such incidents where notification to individuals is required before individuals are notified so that Franchisor can be aware of and be prepared to address issues that may affect the System and be in a position to support Franchisee where possible. In the event of an actual or suspected data breach, Franchisee grants Franchisor and its designees and agents the right, exercisable in Franchisor's sole and absolute discretion, to conduct an investigation of the incident and to install, run, and maintain any hardware, software, or code on the Computer System or in Franchisee's computer network necessary or advisable to facilitate the investigation and to contain and remediate the incident, and Franchisee agrees to cooperate with Franchisor and to provide Franchisor with any access and information Franchisor may reasonably request for those purposes. Nothing in the preceding sentence shall relieve Franchisee of its obligation to comply with applicable laws, regulations, rules, standards or any equivalent thereof concerning an actual or suspected data breach. Franchisee is responsible for any costs or financial losses Franchisee incurs or remedial actions that Franchisee must take as a result of an actual or suspected data breach.

12.19 Credit Card Vendors. Franchisee must use any credit card vendors and accept all credit cards and debit cards that Franchisor determines. The term "**Credit Card Vendors**" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). Franchisee must abide by (i) the Payment Card Industry Data Security Standards ("**PCI-DSS**") enacted by the applicable Card Associations (as may be modified from time to time or as successor standards are adopted); (ii) the Fair and Accurate Credit Transaction Act ("**FACTA**"), and (ii) all other standards, laws, rules, regulations or any equivalent thereof applicable to electronic payments that may be published from time to time by payment card companies and applicable to electronic payments ("**Electronic Payment Requirements**"). Franchisee must use vendors (and may be required to use one or more Approved Suppliers) to provide security services that are consistent with PCI-DSS, FACTA and applicable Electronic Payment Requirements.

12.20 Contributions and Donations. In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent (via email is allowed) before making any contributions or donations of items, services, or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic, or other type of organization (or to any individual on behalf of any organization). Franchisor may withhold any such consent in its sole and absolute discretion.

13. DEFAULT, TERMINATION AND EXPIRATION

13.01 Termination by Franchisor.

(a) **Subject to 30-Day Cure Period.** If Franchisee: (i) fails to submit reports or other information or supporting records when due; (ii) fails to make any payment to Franchisor or its affiliates when due; (iii) fails to pay any amounts due as a result of the Franchised Business operations to any third party, including, without limitation, landlord, vendors, suppliers, or any other third party; and/or (iv) breaches this Agreement in any manner not described in subsection (b) and fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(b) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;

(ii) Franchisee fails to complete the required initial training program or open for business by the deadlines provided in this Agreement;

(iii) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing, or a petition in bankruptcy is filed by Franchisee or a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee loses possession or the right of possession to the premises of the Franchised Business, for any reason;

(v) Franchisee violates Section 7.01 (Confidential Information), Section 12.01 (Compliance with Law), Section 14.02 (Transfer by Franchisee), or Section 15.01 (Covenants Not to Compete), or commits any other violation of this Agreement which by its nature cannot be cured;

(vi) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent;

(vii) Franchisee voluntarily abandons or ceases operation of the Franchised Business for more than five consecutive days;

(viii) Franchisee fails to complete the transfer following the death or disability of Franchisee or any owner of Franchisee, pursuant to Section 14.05;

(ix) Franchisee or any owner of greater than 5% of the Franchisee entity is charged or convicted or has been charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect the ARCpoint Labs System, Marks, goodwill or reputation;

(x) Franchisee breaches or fails to comply with: (i) any obligation under this Agreement, the Manual, or System Standard three or more times in any 12 month period, or (ii) the same obligation under this Agreement, the Manual, or System Standard two or more times in any six month period, in either instance, (i) or (ii), regardless of whether Franchisor has provided notice of such previous breaches or failures and regardless of whether such previous breaches or failures were cured; or

(xi) Any material breach by Franchisee or Franchisee's affiliate of any Franchise Agreement or other agreement between Franchisee or Franchisee's affiliate and Franchisor or Franchisor's affiliate, which is not cured within the applicable cure period in that agreement.

13.02 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to Franchisor's access to the Business Records stated in paragraph 11.04, as well as provisions relating to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

(a) cease doing business under any of the Marks and refrain from, directly or indirectly, at any time or in any manner identifying itself or any business as a current, past or authorized ARCpoint Labs franchisee;

(b) pay all amounts owed to Franchisor based on the operation of the Franchise through the effective date of termination;

(c) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Franchised Business, and all items containing any Marks, copyrights, and other proprietary items;

(d) notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing;

(e) allow Franchisor or representatives access to the Franchised Business and the Computer System to verify and secure Franchisee's compliance with the obligations under this Agreement.

13.03 Management of Business After Termination. If Franchisor terminates this Agreement, then Franchisor has the right, but not the obligation, to take over the operations of the Franchised Business with sole control, for as long as appropriate to prevent interruption of the Franchised Business and loss of goodwill until the Franchised Business is purchased by Franchisor or its designee (or until Franchisor, in its sole discretion, determines not to purchase the Franchised Business). Such takeover will not waive any other rights or remedies Franchisor may have. Franchisee will cooperate with and not interfere with Franchisor's taking over the Franchised Business in any way; however, if Franchisee does not cooperate, Franchisee will be liable to Franchisor for all costs it or its agent or representative incurs in taking over control of the Franchised Business.

13.04 Failure to Cease or Remove Identification. If, within 15 days after termination or expiration of this Agreement, Franchisee fails to remove all displays of the Marks from the Franchised Business, Franchisor may enter the Franchised Business to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

13.05 Other Claims. Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies (including claims for Franchisor's lost future income), which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination.

13.06 Franchisor's Right To Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs), as well as reasonable attorneys' fees, for such action.

13.07 Right to Discontinue Supplying Items upon Default. If Franchisee defaults under this Agreement, Franchisor will have the right to (a) require that Franchisee pay cash on delivery or by certified funds for products or services supplied by Franchisor, or (b) stop selling and/or providing any products and services until Franchisee cures all defaults. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such right of Franchisor is in addition to, and not in lieu of, any other right or remedy available to Franchisor at law or under this Agreement.

13.08 Purchase Option. Upon expiration or termination of this Agreement, Franchisor has the right (but not the obligation) to purchase any or all of the furnishings, equipment, signs, fixtures, supplies, materials, Business Records, and other assets related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less, and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee thereof within 45 days after expiration or termination of this Agreement. If the parties cannot agree on fair market value within a reasonable time, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties shall equally share the cost of the appraisal. Franchisor's purchase shall be of assets only and shall not include any liabilities arising before the date of acquisition. If Franchisor elects to exercise its option, Franchisor may set off from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; (c) amounts paid by Franchisor to cure defaults under Franchisee's lease or sublease; and (d) any reasonable attorneys' fees incurred in connection with the foregoing. Franchisor may assign this option to any other party, without Franchisee's consent.

13.09 Liquidated Damages. Upon Franchisor's termination of this Agreement due to Franchisee's default, Franchisee shall pay liquidated damages to Franchisor in an amount equal to the average monthly Royalty Fee owed by Franchisee (even if not paid) over the 12-month period preceding the date of termination (or, if the Franchised Business was not open throughout such 12-month period, then the average monthly Royalty Fee owed by Franchisee for the period in which the Franchised Business was open), multiplied by the lesser of: (i) 36; or (ii) the number of months remaining in the term of the Franchise Agreement. The liquidated damages owed hereunder are not a penalty; but rather Franchisor and Franchisee represent and agree that the liquidated damages are a reasonable pre-estimate of the monetary losses Franchisor will suffer in the event of early termination. This liquidated damages provision will not limit Franchisor's right to injunctive relief with respect to any violation of the Franchise Agreement.

14. TRANSFER.

14.01 Transfer by Franchisor. This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any transfer resulting in the subsequent performance by the transferee of the functions of Franchisor, the transferee shall assume the obligations of

Franchisor under this Agreement and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

14.02 Transfer by Franchisee. Franchisee shall not assign this Agreement or consummate any other Transfer except in accordance with Section 14.03, Section 14.04, or Section 14.05 and any attempt to do so shall be void and a breach of this Agreement.

14.03 Transfer by Franchisee Subject to Franchisor's Approval. Franchisee may consummate a Transfer if Franchisor consents in writing, which consent shall not be unreasonably withheld, and if the following conditions are met:

- (a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;
- (b) Franchisee has settled all outstanding accounts with Franchisor;
- (c) Franchisee, and each owner of Franchisee, has executed a general release of claims against Franchisor and its affiliates, owners, employees, and agents, in the form required by Franchisor;
- (d) Franchisee pays a transfer fee (the "Transfer Fee") in the amount of (i) \$7,500, unless the transferee is an existing ARCpoint Labs franchisee, in which case the Transfer Fee will be \$3,750; or the transferee is an entity in which Franchisee's owners are the majority owners, or if Franchisee transfers the Franchised Business to an adult child, parent, sibling, or spouse of an owner of Franchisee, in which case the Transfer fee will be \$0, plus (ii) any commission or other amount owed to a broker or other representative that is involved in a franchise sale as part of the Transfer;
- (e) the owners of the proposed transferee entity each execute a personal guarantee, jointly and severally, guaranteeing the performance of the proposed transferee's obligations;
- (f) the proposed transferee is not a competitor of ARCpoint Labs; and
- (g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the Franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require.

14.04 Transfer to an Entity. Franchisee may Transfer this Agreement to an entity in which Franchisee owns all of the equity without paying a Transfer Fee, provided: (a) Franchisee remains on the Agreement as a party and the entity is added as a co-party; (b) Franchisee, or Franchisee's operational partner or Manager approved by Franchisor, continues to devote full time and best efforts to manage the daily operations of the Franchised Business; (c) the entity's activities are confined exclusively to operating the Franchised Business; and (d) the entity assumes joint and several liability with Franchisee.

14.05 Transfer by Death or Disability. Upon the death or disability of Franchisee (if Franchisee is an individual) or of any owner of Franchisee (if Franchisee is an entity), Franchisee's or the owner's executor, administrator, guardian, or other personal representative must transfer Franchisee's or the owner's

interest in this Agreement, the Franchised Business, and/or direct or indirect ownership interest in Franchisee to a third party: (i) whom Franchisor approves; and (ii) who has satisfied Franchisor's then-current criteria for new franchisees. That transfer must occur within a reasonable time, not to exceed nine months from the date of death or disability and is subject to all of the terms and conditions of this Section 14. A failure to transfer such interest within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or the owner from supervising Franchisee's or the Franchised Business's management and operation for 90 or more consecutive days. Following the death or disability of such person as described in this Section, if necessary, in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated person's interest is transferred in accordance with this Section. Franchisor may charge a management fee as stated in the Manual, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

14.06 Right of First Refusal.

(a) If Franchisee, or any of its owners, proposes to sell the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor, except with regards to a sale or Transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of its owners.

(b) Franchisor shall, for 30 days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to 90 days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal. If Franchisor elects to exercise its right of first refusal, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement

(c) If Franchisor does not exercise this right of first refusal within 30 days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 14. Should the sale fail to close within 120 days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

15. COVENANTS

15.01 Covenants Not to Compete.

(a) During the term of this Agreement and for two years after termination, transfer, or expiration of this Agreement for any reason, Franchisee (including all persons who directly or indirectly hold any ownership interest in Franchisee) agrees to not for itself, individually, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage

in, consult with or have any interest in a Competitive Business. This covenant not to compete applies: (i) during the term of this Agreement: anywhere in the United States; (ii) for a two year period following after the expiration or earlier termination of this Agreement: (a) within Franchisee's Territory; (b) within 25 miles from the boundary of Franchisee's Territory; and (c) within a 25 mile radius from the premises of any ARCpoint Labs business then in operation.

(b) For purposes of the covenant not to compete, Franchisee includes, collectively and individually, all owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in Franchisee and any immediate family members of same including spouses and children. Franchisor may require Franchisee to obtain from its manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to Franchisor that contains the non-compete provisions of this Section 15.01.

(c) This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor, its affiliates, and its franchisees. This covenant not to compete is strictly limited in time and territorial effect, and Franchisee agrees that the terms of this covenant not to compete are clear and reasonable as of the Effective Date. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

(d) The covenants contained herein shall be presumed to be enforceable, and any reading causing unenforceability shall yield to a construction permitting enforcement. If any single covenant or clause shall be found unenforceable, it shall be severed and the remaining covenants and clauses enforced in accordance with the tenor of this Section and this Agreement. In the event the arbitrator(s), or any court of competent jurisdiction, should determine not to enforce a covenant as written due to overbreadth, or for anyone reason, the parties specifically agree that said covenant shall be modified and enforced to the extent reasonable, whether said modifications are in time, territory, or scope of prohibited activities.

(e) Franchisees agree that the length of time in subpart (a) will be tolled for any period during which Franchisee is in breach of the covenants or any other period during which Franchisor seeks to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

15.02 Stock Ownership. Nothing in this Section will prevent Franchisee or any other person or entity from owning not more than a total of 5% of the stock of any company which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

16. DISPUTE RESOLUTION

16.01 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided to the contrary in this Agreement, any controversy or claim between Franchisor and Franchisee, whether or not arising out of or relating to this Agreement or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction

thereof. The arbitration proceedings will be conducted by a single arbitrator. The arbitration will take place in the city where Franchisor's principal offices are located at the time the demand for arbitration is filed. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction.

(b) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal (or pending the arbitral tribunal's determination of the merits of the controversy), which includes without limitation any action for temporary, preliminary or permanent injunctive relief, specific performance, writ of attachment, or other equitable relief necessary to enjoin any harm or threat of harm to such party's tangible or intangible property, including trademarks, service marks and other intellectual property, brought at any time, including prior to or during the pendency of any arbitration proceedings initiated hereunder.

(c) Confidentiality. All evidence, testimony, records, documents, findings, decision, judgments and awards pertaining to any arbitration hearing between Franchisor and Franchisee will be confidential in all respects. Franchisor and Franchisee will not disclose the decision or award of the arbitrator(s) and will not disclose any evidence, testimony, records, documents, findings, orders or other matters from the arbitration hearing to any person or entity except as required by law or as required for compliance with laws and regulations applicable to the future sales of franchises.

(d) Performance During Arbitration of Disputes. Franchisor and Franchisee will comply with all of the terms and conditions of this Agreement and will fully perform their respective obligations under this Agreement during the entire time of the arbitration process.

(e) Limit on Damages. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. Each party waives any right to punitive or other damages not measured by the prevailing party's actual damages to the maximum extent permitted by law. The maximum aggregate liability of Franchisor and its affiliates, and their respective owners, officers, and employees, to Franchisee in any arbitration(s) or other legal actions related to this Agreement or the business relationship between the parties shall not exceed the amounts paid by Franchisee to Franchisor in connection with this Agreement.

16.02 Waiver of Class Actions. The parties agree that any claims will be arbitrated or otherwise resolved on an individual basis and waive any right to act on a class-wide basis.

16.03 Time Limitation. Except for payments owed by one party to the other, and unless prohibited by applicable law, any arbitration or other legal action brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two years from the earlier of (i) date of discovery of the conduct or event and (ii) the date such conduct or event should have been discovered, that forms the basis of the arbitration or other legal action.

16.04 Venue Other Than Arbitration. If any legal proceeding is not required to be submitted to arbitration under this Agreement, each of the parties irrevocably and unconditionally (a) agrees that any

such legal proceeding must be brought in the federal or state court having jurisdiction that is located in the district where Franchisor's principal place of business is then located; (b) consents to the jurisdiction of each such court in any legal proceeding; and (c) waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

16.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

16.06 Legal Costs. If either party institutes a legal proceeding, including a court proceeding, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

17. RELATIONSHIP OF THE PARTIES

17.01 Independent Contractor. Franchisor and Franchisee are independent contractors, and no partnership, fiduciary, joint venture, joint employer, or employment relationship exists between Franchisor and Franchisee. Neither Franchisor nor Franchisee will make any agreements or representations in the name of or on behalf of the other party that their relationship is other than franchisor and franchisee.

17.02 Operations and Identification. Franchisee must conspicuously identify itself in all dealings with the public as "independently owned and operated" separate from Franchisor. Franchisee's employees are employees of Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports.

18. MISCELLANEOUS

18.01 Non-disparagement. Franchisee agrees not to make any statements, written or verbal, or cause or encourage others to make any statements, written or verbal, that defame, disparage or in any way criticize the personal or business reputation, practices, or conduct of Franchisor, its employees, directors, and officers. Franchisee acknowledges and agrees that this prohibition extends to statements, written or verbal, made to anyone, including but not limited to, the news media, investors, potential investors, any board of directors or advisory board or directors, industry analysts, competitors, strategic partners, vendors, employees (past and present), clients, and any third parties on the Internet; however this prohibition shall not extend to communications with governmental authorities. Franchisee understands and agrees that this paragraph is a material provision of this Agreement and that any breach of this paragraph shall be a material breach of this Agreement, and that Franchisor would be irreparably harmed by violation of this provision. Franchisee understands and agrees that this non-disparagement provision shall survive termination or expiration of this Agreement.

18.02 Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in the Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in the franchise disclosure document.

18.03 Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee.

18.04 Waiver. Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor's rights as to any future exercise of those rights.

18.05 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

18.06 Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then-applicable laws referred to in the addendum remain validly in effect.

18.07 Section Headings. Titles of sections in this Agreement are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

18.08 Obligations. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.09 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity.

18.10 Notices. Unless otherwise specified in this Agreement, no notice, demand, request or other communication to the parties shall be binding upon the parties or effective hereunder unless the notice is in writing, refers specifically to this Agreement and is delivered as set forth in this Section to: (i) if to Franchisee, addressed to Franchisee at the notice address set forth in Attachment I; and (ii) if to Franchisor, addressed to 303 Perimeter Center North, Suite 575, Atlanta, Georgia 30346 to the attention of Franchisor's chief executive officer. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Such communications shall be effective upon receipt (or first rejection) and must be: (i) delivered personally; (ii) mailed in the United States mail, with postage prepaid, by certified mail with return receipt requested; or (iii) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to the System, and deliver notices of default by electronic mail to the address set forth in Attachment I.

18.11 Joint and Several Liability. If two or more persons or entities or any combination sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.13 Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

18.14 Franchisor's Rights. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement. Whenever Franchisor reserves discretion in a particular area or where Franchisor agrees to exercise its rights reasonably or in good faith, Franchisor will satisfy its obligations whenever Franchisor exercises "Reasonable Business Judgment" (as defined below) in making its decision or exercising its rights. Franchisor's decisions or actions will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

18.15 Counterparts. This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by electronic transmission (including an electronic signature platform or PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

19. REPRESENTATIONS AND ACKNOWLEDGEMENTS

A. FRANCHISEE REPRESENTS TO FRANCHISOR THAT FRANCHISEE'S SIGNATURE ON AND PERFORMANCE OF THIS AGREEMENT DOES NOT VIOLATE OR CONSTITUTE A BREACH OF THE TERMS OF ANY OTHER AGREEMENT OR COMMITMENT TO WHICH FRANCHISEE, FRANCHISEE'S GUARANTORS OR ANY OF FRANCHISEE'S OR THEIR AFFILIATES ARE A PARTY.

B. UNDER APPLICABLE U.S. LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "ORDER"), FRANCHISOR IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN, ACTS OF TERRORISM AS DEFINED IN THE ORDER. ACCORDINGLY, FRANCHISEE DOES NOT AND HEREAFTER WILL NOT, ENGAGE IN ANY TERRORIST ACTIVITY. IN ADDITION, FRANCHISEE IS NOT AFFILIATED WITH AND DOES NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY.

C. FRANCHISEE IS NOT ACQUIRING THE RIGHTS GRANTED UNDER THIS AGREEMENT WITH THE INTENT TO GENERATE FUNDS TO CHANNEL TO ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY, OR TO OTHERWISE SUPPORT OR FURTHER ANY TERRORIST ACTIVITY.

D. NO PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT AN AUTHORIZED OFFICER OF FRANCHISOR BY A WRITTEN DOCUMENT.

E. FRANCHISEE REPRESENTS TO FRANCHISOR THAT ALL INFORMATION SET FORTH IN ANY AND ALL APPLICATIONS, FINANCIAL STATEMENTS AND SUBMISSIONS TO FRANCHISOR ARE AND WILL BE TRUE, COMPLETE AND ACCURATE IN ALL RESPECTS, AND FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR IS RELYING UPON THE TRUTHFULNESS, COMPLETENESS AND ACCURACY OF SUCH INFORMATION IN

BOTH AWARDING AND CONTINUING THE RIGHTS GRANTED TO FRANCHISEE BY THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Agreement.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

Date: _____

**ATTACHMENT I
TO FRANCHISE AGREEMENT
SUMMARY INFORMATION**

1. **Premises (Section 4.01).** The Franchised Business will be located at: _____

2. **Territory (Section 4.02):** _____

If the Premises of the Franchised Business is not known and approved by Franchisor when this Agreement is executed, Franchisor may later insert the Premises and Territory in this Attachment.

3. **Initial Franchise Fee (Section 5.02):** _____

4. **Franchisee's Notice Address (Section 18.09)**

Email: _____

**ATTACHMENT II
TO FRANCHISE AGREEMENT**

**AUTHORIZATION AGREEMENT
FOR PREAUTHORIZED PAYMENT SERVICE**

I (or We if there are joint owners of the account referenced later in this agreement) authorize and request ARCpoint Franchise Group, LLC (the "Company") to obtain payment for all amounts I (we) owe to the Company pursuant to the Franchise Agreement between the Company and me (us), as these amounts become due by initiating a payment entry to my (our) account. The account number, name of financial institution, payment amount, and date on or immediately after which payment should be deducted from the account are identified below. In addition, I (we) authorize and request the financial institution, now referred to as the Bank, to accept the payment entries presented to the Bank and to deduct them from my (our) account without responsibility for the correctness of these payments.

Franchisee Information:

Franchisee Name:_____

Franchise No.:_____

Payment Date:_____

Payment Frequency:_____

Your Bank Account Information:

Please attach a voided check and we will complete this information for you.

Transit Routing Number:_____ Checking Account Number: _____

Bank Name: _____

Bank Address:_____

Your Name(s):_____
(please print)

Signature(s): _____

Date Signed: _____

**ATTACHMENT III
TO FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP**

Franchisee: _____ Proposed Trade Name: _____

Form of Ownership (check one):

_____ *Individual.* Provide below, the full legal name, business and residence address of the individual owner.

_____ *Partnership.* Provide below, the name and address of each partner showing percentage owned, whether active in management, and a copy of the Partnership Agreement certified by the Secretary of State for the State in which the Partnership was formed.

_____ *Limited Liability Company.* Provide below, the name and address of each member and each manager showing percentage owned and a copy of the Operating Agreement certified by the Secretary of State for the State in which the LLC was formed.

_____ *Corporation.* Provide the names and addresses of each officer and director and list the names and addresses of every shareholder showing what percentage of stock is owned by each and a copy of the Articles of Incorporation certified by the Secretary of State for the State in which the corporation was formed.

If the franchisee is a partnership, a limited liability company or a corporation, please indicate the name of the one individual who will serve as the principal owner contact that has final and ultimate authority to represent and/or make future decisions regarding the entity to Franchisor: _____.

I hereby certify that I am authorized to execute this Statement of Ownership on behalf of Franchisee.

Date signed _____

Signature of Individual, Partner, Member,
Manager, Officer or Director.

Any and all changes to the above information must be reported immediately upon occurrence to Franchisor in writing.

ATTACHMENT IV TO FRANCHISE AGREEMENT

GUARANTY

IN CONSIDERATION of and to induce the consent by ARCpoint Franchise Group, LLC, a South Carolina limited liability company ("Franchisor") to enter into the ARCpoint Labs Franchise Agreement with _____ ("Franchisee"), and for other good and valuable consideration, each of the undersigned agrees as follows:

1.01. Payment Of Obligations. The undersigned jointly, severally, and unconditionally guarantee to Franchisor the punctual payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, including expenses, damages and fees, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries and affiliates, together with any interest as it may accrue, and all costs, expenses and attorney fees paid or incurred by Franchisor or its subsidiary or affiliate in collecting or attempting to collect the obligations of Franchisee or in enforcing or attempting to enforce this Guaranty. The undersigned jointly, severally and unconditionally guarantee the timely performance of each term, covenant, and obligation set forth in the ARCpoint Labs Franchise Agreement described above and any other agreement. This is a continuing Guaranty which shall apply to the Franchise Agreement and any other agreement between Franchisee and Franchisor, and any subsequent renewals, extensions, amendments or modifications thereof, without further notice to or acceptance by the undersigned.

2.01. Waivers. The undersigned waive notice of acceptance of this Guaranty and of the inurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party. The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against Franchisee until Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full.

3.01. Rights Of Franchisor. Franchisor may, at its option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part:

a. change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any obligation, liability or right of Franchisee under the Franchise Agreement hereby guaranteed, or any liabilities incurred directly or indirectly hereunder, and the guaranty herein made shall apply to the obligations and liabilities of Franchisee, so changed, extended, renewed or altered;

b. exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting;

c. settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others; and

d. apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee remain unpaid. Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any moneys, property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor.

4.01. Irrevocable. This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof, and this Guaranty shall survive the termination, expiration, or cancellation of the Franchise Agreement. Franchisor may at its option, elect to take no action pursuant to this Guaranty or the Franchise Agreement without waiving any rights under either. The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this agreement against them, to first institute suit or exhaust its remedies against Franchisee or any others. This Guaranty shall operate as a continuing Guaranty and shall be non-revocable, except with the express written consent of Franchisor;

4.02. Joint And Several Liability. The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

4.03. Noncompetition. The undersigned hereby agree that they shall be individually bound by the provisions of the Franchise Agreement relating to trade secrets, confidentiality, and non-competition.

Executed by:

Signature: _____
Name: _____
Date: _____
Ownership Percentage of Franchisee: _____ %
Address: _____

Signature: _____
Name: _____
Date: _____
Ownership Percentage of Franchisee: _____ %
Address: _____

Signature: _____
Name: _____
Date: _____
Ownership Percentage of Franchisee: _____ %
Address: _____

**ATTACHMENT V
TO FRANCHISE AGREEMENT**

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

Instructions:

This “Nondisclosure and Noncompetition Agreement” must be completed and signed by Franchisee’s owners, each Guarantor of the Franchise Agreement, and each of their spouses, as well as a manager of Franchisee who will have supervisory responsibilities for the Franchised Business and access to the Franchisor’s Trade Secrets. This is an ongoing requirement that continues beyond the execution of the Franchise Agreement. The signed original(s) of this Agreement must be delivered to the Franchisor by Franchisee no later than 10 days following execution of the Franchise Agreement or no later than 10 days following the commencement of the relationship with the Franchisee Affiliate.

This Agreement is made and entered into between _____ (“Franchisee”), and _____ (“Franchisee Affiliate”) and is intended to benefit both Franchisee and ARCpoint Franchise Group, LLC (“Franchisor”).

Recitals

Franchisor has granted to Franchisee the limited right to develop and operate an ARCpoint Labs business using the System, the Marks and the Trade Secrets, pursuant to a Franchise Agreement (“Franchise Agreement”), by and between Franchisor and Franchisee.

The System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin (“Marks”), including, but not limited to, the Marks and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System’s high standards of quality, appearance and service and distinctive marketing, uniform standards, specifications and procedures for performing services, merchandising, management and financial control; operations; quality and uniformity of services offered; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System (“Trade Secrets”).

The Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor’s competitors who could obtain economic value from knowledge and use of the Trade Secrets.

Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets.

Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets.

Franchisee has agreed to obtain from those Franchisee Affiliates written agreements protecting the Trade Secrets and the System against unfair competition.

Franchisee Affiliate desires or will become associated with or be employed by Franchisee; to remain in such employment, or is or will become involved with Franchisee in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of Franchisee, or as an immediate family member of Franchisee and will become privileged as to certain Confidential Information.

Franchisee Affiliate acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Franchisee Affiliate herein.

NOW THEREFORE, in consideration of the mutual covenant and obligations contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

NONDISCLOSURE AGREEMENT

1. Franchisor and/or Franchisee may disclose to Franchisee Affiliate some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques and compilations of data that Franchisor provides to Franchisee and/or Franchisee Affiliate shall be deemed confidential Trade Secrets for the purposes of this Agreement.
2. Franchisee Affiliate shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his/her employment or association with Franchisee and then only in connection with the development and/or operation by Franchisee of an ARCpoint Labs business for so long as Franchisee is licensed by Franchisor to use the System.
3. Franchisee Affiliate shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.
4. Franchisee Affiliate shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of an ARCpoint Labs business.
5. Franchisee Affiliate shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Franchisee Affiliate.
6. Franchisee Affiliate shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Marks, the Trade Secrets or the System.
7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

COVENANTS NOT TO COMPETE

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Franchisee Affiliate of the Trade Secrets, Franchisee Affiliate further agrees and covenants that Franchisee Affiliate will not without the prior written consent of Franchisor:

- a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, except with Franchisor's approval;
- b. Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business wherever operating except with Franchisor's approval;
- c. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the ARCpoint Labs business to any competitor; or
- d. Make any disparaging remarks or otherwise take any action or do anything that could reasonably be anticipated to cause loss or damage to the business or business opportunities, affairs, reputation and goodwill of, or otherwise negatively reflect upon, Franchisor, the System or the Marks; however this prohibition shall not extend to communications with governmental authorities.
- e. The term "Competitive Business" as used in this Agreement means any business that offers (or grants franchises or licenses others to operate a business that offers) laboratory services of any type, including, without limitation, high complexity services, moderate complexity services, low complexity services, reference lab services, services to physicians, hospitals, schools or businesses, testing for food allergies, hormones, blood or toxicology, vaccinations, drug screening, wellness, clinical, or other testing services or testing necessary for advanced regulatory compliance, including drug testing policies for all federal modalities (which includes but is not limited to The Federal Motor Carrier's Safety Administration and The Department of Transportation), or in which Confidential Information could be used to the disadvantage of Franchisor, its affiliate(s) or its other franchisees.

2. This Covenant Not to Compete shall apply:

- a. during the term of Franchisee Affiliate's relationship, association with or employment by Franchisee anywhere within the United States; and,
- b. for the two year period following the expiration or termination of the Franchise Agreement or the termination of Franchisee Affiliate's association with or employment by Franchisee:
 - (1) within Franchisee's Territory
 - (2) within 25 miles from the boundary of Franchisee's Territory; and
 - (3) within a 25 mile radius from the premises of any other ARCpoint Labs business then in operation.

The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent or less of the number of shares of that class of securities issued and outstanding. Franchisee Affiliate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

MISCELLANEOUS

1. Franchisee shall make all commercially reasonable efforts to ensure that Franchisee Affiliate acts as required by this Agreement.
2. Franchisee and Franchisee Affiliate agree that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and/or a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Franchisee and Franchisee Affiliate agree that Franchisee's and/or Franchisee Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee and by Franchisee Affiliate.
3. Franchisee Affiliate agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.
4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Franchisee Affiliate shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Franchisee Affiliate.
5. This Agreement shall be governed by, construed and enforced in accordance with the laws of the state of Georgia, where Franchisor has its principal place of business.
6. Franchisee and Franchisee Affiliate irrevocably and unconditionally (a) agree that any legal proceeding arising under this Agreement must be brought in the federal or state court having jurisdiction that is located in the district where Franchisor's principal place of business is then located; (b) consent to the jurisdiction of each such court in any legal proceeding; and (c) waive any objection either party may have to the laying of venue of any proceeding in any of these courts; provided, however, with respect to any action that includes injunctive relief or other extraordinary relief, Franchisor or Franchisee may bring such action in any court in any state that has jurisdiction.
7. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Franchisee Affiliate expressly agrees to be bound by any lesser covenant embraced within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

8. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.
9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Franchisee Affiliate hereunder may not be assigned by Franchisee or Franchisee Affiliate without the prior written consent of Franchisor.
10. The waiver by Franchisor of any breach of any provision of this Agreement by Franchisee or Franchisee Affiliate shall not operate or be construed as a waiver of any subsequent breach thereof.
11. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.
12. All notices and demands required to be given hereunder shall be in writing and shall be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) mailed in the United States mail, with postage prepaid, by certified mail with return receipt requested; or (3) sent via overnight courier to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:
ARCpoint Franchise Group, LLC
303 Perimeter Center North, Suite 575
Atlanta, Georgia, 30346

Attention: Chief Executive Officer

If directed to Franchisee, the notice shall be addressed to:

Attention: _____

If directed to Franchisee Affiliate, the notice shall be addressed to the address identified beneath Franchisee Affiliate's signature.

[Signature page follows.]

The effective date of Agreement shall be the _____ day of _____, 20 __.

FRANCHISEE:

FRANCHISEE AFFILIATE:

(Name of Franchisee)

Signature

Printed Name

Signature

Printed Name

Relationship of Franchisee Affiliate to Franchisee: _____

Home Address for Notices: _____

ATTACHMENT VI TO THE FRANCHISE AGREEMENT

FORM OF LEASE ADDENDUM

This Addendum to Lease (“**Addendum**”), dated _____, 20__, is entered into by and between _____ (“**Lessor**”), and _____ (“**Lessee**”).

A. The parties hereto have entered into a certain Lease Agreement dated _____, 2024, and pertaining to the premises located at _____ (“**Lease**”).

B. Lessor acknowledges that Lessee intends to operate an ARCpoint Labs franchise from the leased premises (“**Premises**”) pursuant to a Franchise Agreement (“**Franchise Agreement**”) with ARCpoint Franchise Group, LLC (“**Franchisor**”) under the name ARCpoint Labs or other name designated by Franchisor (herein referred to as “**Franchised Business**” or “**Franchise Business**”).

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. Assignment. Lessee shall have the right, without further consent from Lessor, to sublease or assign all of Lessee’s right, title, and interest in the Lease to a Franchise Assignee at any time during the term of the Lease, including any extensions or renewals thereof, in accordance with the Collateral Assignment of Lease attached hereto as Attachment 1 or otherwise. No assignment shall be effective until a Franchise Assignee gives Lessor written notice of its acceptance of the assignment and assumption of the Lease. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing, by a Franchise Assignee. In the event of any assignment, Lessee shall remain liable under the terms of the Lease. Franchisor shall have the right to sublet or reassign the Lease to another Franchise Assignee without Lessor’s consent in accordance with Section 3(a) in which event Franchisor shall be released of any obligation or liability under the Lease. As used in this Addendum, “**Franchise Assignee**” means: (i) Franchisor or Franchisor’s parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor’s parent, subsidiary, or affiliate.

2. Default and Notice.

a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall contemporaneously give both Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. Franchisor shall have the right, but not the obligation, to cure the default during Lessee’s cure period plus an additional ten (10) day period. Franchisor will notify Lessor whether it intends to cure the default prior to the end of Lessee’s cure period.

b. All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, to the following address: ARCpoint Franchise Group, LLC, 303 Perimeter Center North, Suite 575, Atlanta, GA 30346.

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor’s mailing address to which notices should be sent.

c. Following Franchisor's approval of the Lease, Lessee and Lessor agree not to terminate, alter, or amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, alteration, or amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

3. Termination or Expiration.

a. Upon Lessee's default and failure to timely cure under either the Lease or the Franchise Agreement, a Franchise Assignee designated by Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest under the Collateral Assignment of Lease or otherwise, provided such Franchise Assignee cures a default of the Lease no later than ten (10) days following the end of Lessee's cure period.

b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Lessor will cooperate with and assist Franchisor in securing possession of the Premises, and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the ARCpoint Labs marks and system, and to distinguish the Premises from a Franchised Business.

c. If any Franchise Assignee purchases any assets of Lessee, Lessor shall permit such Franchise Assignee to remove all the assets being purchased, and Lessor waives any lien rights that Lessor may have on such assets.

4. Consideration; No Liability.

a. Lessor acknowledges that the Franchise Agreement requires Lessee to receive Franchisor's approval of the Lease prior to Lessee executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Lessor acknowledges Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Attachment 1.

b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor, and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Lessor has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

5. Amendments. No amendment or variation of the terms of the Lease or this Addendum shall be valid unless made in writing and signed by the parties hereto.

6. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

7. Beneficiary. Lessor and Lessee expressly agree that Franchisor is a third-party beneficiary of this Addendum.

IN WITNESS WHEREOF, witness the signatures of the parties hereto as of the day, month, and year first written above.

LESSOR:

By: _____

Name: _____

Title: _____

LESSEE:

By: _____

Name: _____

Title: _____

SCHEDULE 1

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20_ (“**Effective Date**”), the undersigned, _____ (“**Assignor**”) hereby assigns, transfers and sets over unto ARCpoint Franchise Group, LLC (“**Assignee**”) all of Assignor’s right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A (“Lease”)** with respect to the premises located at _____. This Collateral Assignment of Lease (“**Assignment**”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for an ARCpoint Labs franchise between Assignee and Assignor (“**Franchise Agreement**”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee’s sole discretion, to: (i) cure Assignor’s default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignee’s rights, title, and interest in the Lease; and/or

(v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent (2%) per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

EXHIBIT C
MULTI-FRANCHISE ADDENDUM

MULTI-FRANCHISE ADDENDUM TO FRANCHISE AGREEMENTS

This Multi-Franchise Addendum (“MFA”) is entered into between ARCpoint Franchise Group, LLC, a South Carolina limited liability company (“Franchisor”) and _____ a _____ (“Franchisee”) and is made effective as of the date beneath Franchisor’s signature to this Agreement (“Effective Date”).

RECITALS

Franchisor and Franchisee entered into **four** ARCPoint Franchise Group, LLC Franchise Agreements of even date with this MFA (“Franchise Agreements”), whereby Franchisee was granted the right to develop and operate **four** ARCpoint Labs Businesses, each to be located within a certain geographical territory (each a “Territory” and collectively, the “Territories”). All capitalized terms in this MFA shall have the meaning assigned to them in the Franchise Agreements, unless otherwise defined in the MFA. [DRAFTING NOTE: Update number of businesses and delete this bracket.]

The parties intend for Franchisee to develop and open the ARCpoint Lab Businesses licensed under the Franchise Agreements (each an “ARCpoint Lab Business” and collectively, the “ARCpoint Lab Businesses”) in accordance with the terms of the Franchise Agreements, as amended by this MFA.

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the parties agree as follows:

1. INITIAL TRAINING FEE AND TECHNOLOGY FEES

1.1 Notwithstanding anything to the contrary in the Franchise Agreements, Franchisee shall only be required to pay one Initial Training Fee of \$7,500.

1.2 For avoidance of doubt, nothing in this MFA shall affect Franchisee’s obligation to pay a separate monthly Technology Fee under each of the Franchise Agreements.

2. DEVELOPMENT SCHEDULE

2.1 Pursuant to the Franchise Agreements, within sixty (60) days of the Effective Date, Franchisee shall open Onsite/Online Operations for all of its ARCpoint Labs Businesses in each of its Territories.

2.2 Notwithstanding anything to the contrary in the Franchise Agreements, Franchisor and Franchisee further agree that Franchisee shall open for Lab Operations at a brick and mortar Premises approved by Franchisor in each of its Territories pursuant to the following Development Schedule:

Lab Operations for each Territory	Deadline to Commence Lab Operations	Cumulative No. of Lab Operations to be in Operation
First	12 Months from Effective Date	1
Second	18 Months from Effective Date	2
Third	24 Months from Effective Date	3
Fourth	36 Months from Effective Date	4

2.3 The first ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “First”. The second ARCpoint Lab Business to satisfy the requirements of

commencing Lab Operations at bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “Second”. The third ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “Third”. The fourth ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “Fourth”.

2.4 If Franchisee fails to meet or satisfy the timing in the above Development Schedule (including maintaining the requisite cumulative number of Lab Operations to be in operation at any time), Franchisor may, in its sole discretion, terminate the Franchise Agreements for any of Franchisee’s ARCpoint Lab Businesses that have not commenced Lab Operations at the time of the breach; provided however that Franchisor must allow Franchisee thirty (30) days after giving notice of termination to cure this breach and meet Franchisee’s obligations by commencing Lab Operations at the scheduled ARCpoint Labs Business(es). In the event of such termination, Franchisor will retain the Initial Franchise Fee for all opened and unopened ARCpoint Lab Businesses.

3. MINIMUM PERFORMANCE REQUIREMENTS

3.1 Beginning 24 months after Franchisee commences Lab Operations at the first bricks and mortar Premises approved by Franchisor in a Territory (“First Opening Date”), Franchisee must have a minimum of \$150,000 in annual Gross Revenues from Onsite/Online Operations for each additional non-brick and mortar Territory (“Minimum Revenue Threshold”). Beginning 36 months after the First Opening Date, the Minimum Revenue Threshold shall increase by five percent (5%) for each 12-month period over the preceding 12-month period.

3.2 Unless otherwise expressly agreed to by Franchisor in its sole discretion, if Franchisee fails to meet the Minimum Revenue Threshold during any 12-month period for any Territory without a brick and mortar Premises for Lab Operations, then Franchisee shall have one hundred eighty (180) days following written notice from Franchisor of such failure to commence Lab Operations at a brick and mortar Premises approved by Franchisor within the relevant Territory (“Brick and Mortar Opening Deadline”).

3.3 If Franchisee fails to meet any Brick and Mortar Opening Deadline, then Franchisor may, in its sole discretion, terminate the Franchise Agreements for any of Franchisee’s ARCpoint Lab Businesses that have not commenced Lab Operations at brick and mortar Premises approved by Franchisor at the time of the breach. In the event of such termination, Franchisor will retain the Initial Franchise Fee for all opened and unopened ARCpoint Lab Businesses.

4. MISCELLANEOUS.

4.1 The Recitals are hereby incorporated into this MFA by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this MFA shall have the meaning given to it in the Franchise Agreements.

4.2 The Franchise Agreements and this MFA constitute the entire, full and complete agreement between the parties concerning the matters herein and supersede any and all prior agreements. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

4.3 In the event of a conflict between the terms of the Franchise Agreements and this MFA, the terms of this MFA shall control. Except as amended, modified or supplemented by this MFA, the terms and conditions of the Franchise Agreement are hereby ratified and confirmed.

4.4 This MFA may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this MFA by electronic transmission (including an electronic signature platform or PDF) shall be as effective as delivery of a manually executed counterpart of this MFA.

IN WITNESS WHEREOF, the parties have executed this MFA.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62701 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 5 th Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62701 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 5 th Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT E

ADDITIONAL STATE REQUIRED FDD DISCLOSURES

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA**

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE, WWW.ARCPOINTLABS.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Item 3, Additional Disclosure. The following statement is added to Item 3:

Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such parties from membership in such association or exchange.

Item 5, Additional Disclosure. The following statement is added to Item 5:

The Department has determined that we, the franchisor, have not demonstrated that we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a Multi-Franchise Addendum, the payment of the initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Item 6, Additional Disclosure. The following statement is added to Item 6:

The highest interest rate allowed by law in California is 10% annually.

Item 17, Additional Disclosures. The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning transfer, termination or non-renewal of the franchise agreements. If the agreements contain a provision that is inconsistent with the law, the law will control.

The franchise agreement and multi-unit development agreements provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).

The franchise and multi-unit development agreements provide for application of the laws of Georgia. This provision may not be enforceable under California law.

The franchise and multi-unit development agreements contain a choice of forum provision. This provision may not be enforceable under California law.

The franchise agreements contain a covenant not to compete that extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Fulton County, Georgia. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

The franchise agreements contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must sign a general release if you transfer the rights granted under the franchise and multi-unit agreements and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Item 22, Additional Disclosure. The following statement is added to Item 22:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

Registration of this franchise offering does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF ILLINOIS**

Item 1, Additional Disclosures. The following statements are added to Item 1:

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT

OF HUMAN AILMENTS AND INJURIES WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 85 ILCS 15/2. 5 (West 2014): Medical Practice Act of 1987. 225 ILCS 60/ (West 2014): and Prohibition Against Fee Splitting at 225 ILCS 60/22.2 (West 2014).

IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE OR NURSING IN ILLINOIS, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL PROVIDE MEDICAL PRODUCTS AND SERVICES IN YOUR FRANCHISED BUSINESS. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

For info on state certification and licensure requirements, costs and process see: www.dph.illinois.gov/topics-services/health-care-regulation/clia/faq.

Items 5 and 7, Additional Disclosure.

Items 5 and 7 are modified to provide that payment of Initial Franchise Fees will be deferred until we have met our pre-opening obligations to you, and you have commenced operating your first ARCpoint Labs Business. If you execute multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until the we have met our pre-opening obligations to you with respect to the first ARCpoint Labs Business to be opened under the MFA and you have commenced operating your first ARCpoint Labs Business.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND**

1. **Item 5, Additional Disclosure.** The following statement is added to Item 5:

Based upon the franchisor's financials condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all initial fees under the Multi-Franchise Addendum to the Franchise Agreement shall be deferred until the first franchise under the Multi-Franchise Addendum opens.

2. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

Any provision requiring you to sign a general release of claims against us as a condition of renewal or transfer, does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

3. **Item 22, Additional Disclosure.** The following statement is added to Item 22:

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any

lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS DISCLOSURE ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7717.

**ADDITIONAL FDD DISCLOSURES REQUIRED BY REQUIRED
BY THE STATE OF MINNESOTA**

1. **Notice of Termination.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreements.

2. **Choice of Forum and Law.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. **Waiver of Right to Jury Trial or Termination Penalties:** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

5. **Fee Deferral.** The following statement is added to Items 5 and 7:

All initial franchise fees will be deferred until the franchise opens for business.

6. **Insufficient Fund Charge.** Item 6 of the FDD is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.

6. **Acknowledgements.** The following statement is added to Item 22:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf

of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK ADDENDUM TO THE DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” section of Item 17(c), titled “**Requirements for franchisee to renew or extend**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of Law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements – No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts – Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*) which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York Law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF NORTH DAKOTA

Item 17, Additional Disclosures. The following statements are added to Item 17:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
- C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchises to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.
- H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
- I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
- K. All initial franchise fees will be deferred until initial obligations owed to franchisee under the Franchise Agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the Franchise Agreement.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the relevant North Dakota statute have been met independently without reference to the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE STATE OF RHODE ISLAND

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure. The Additional Disclosure shall have no force or effect if such jurisdictional requirements are not met.

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES REQUIRED BY THE COMMONWEALTH OF VIRGINIA

Initial Fees, Item 5. The following is added to Item 5:

The Virginia State Corporations Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Termination, Item 17. The following is added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Additional Disclosure, Item 22. The following is added to Item 22:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

This Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to these Additional Disclosures.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold

harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. **Fee Deferral.** The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until we have fulfilled our initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because we have material pre-opening obligations with respect to each franchised business you will open under the Multi Franchise Addendum, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

EXHIBIT F
STATE AGREEMENT ADDENDA

California
Illinois
Maryland
Minnesota
North Dakota
Rhode Island
Virginia
Washington

**ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

1. The following is added to the end of Section 5.01 of the Franchise Agreement:

The California Department of Financial Protection and Innovation requires Franchisor to defer payment of the Initial Franchise Fee and other initial payments owed by Franchisee to Franchisor until Franchisor has completed its pre-opening obligations under the Franchise Agreement and the Franchised Business has opened for business.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.

2. The following is added to the end of Section 19 of the Franchise Agreement:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

4. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. The following is added to the end of Section 5.01 of the Franchise Agreement:

Payment of Initial Franchise Fees will be deferred until Franchisor has met its pre-opening obligations to Franchisee, and Franchisee has commenced operating the Franchised Business.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until the Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the franchised ARCpoint Labs business will be located or operated in the State of Maryland.

2. The following is added to the end of Section 5.01 of the Franchise Agreement:

Based upon Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until Franchisor completes its pre-opening obligations under the Franchise Agreement.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until the Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.

3. The following is added to the end of Sections 3.04 and 14.03(c) of the Franchise Agreement:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following is added to the end of Section 16.03 of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. The following is added to the end of Section 19 of the Franchise Agreement:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive

its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC.

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** the franchised ARCpoint Labs business will be located or operated in the State of Minnesota.

2. The following sentences are added to the end of Section 5.02:

Notwithstanding the foregoing, in the State of Minnesota, Franchisor will defer the payment of the Initial Franchise Fee until Franchisee opens the Franchised Business. Upon the opening of the Franchised Business, Franchisee shall pay the Initial Franchise Fee to Franchisor.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.

3. The following sentence is added to the end of Sections 3.04 and 14.03(c):

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. The following sentences are added to the end of Section 6:

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, Franchisor will protect Franchisee’s right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of Franchisor’s primary trade name.

5. The following sentence is added to the end of Section 13:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

6. The following sentences are added to the end of Section 16:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes,

Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisor cannot require Franchisee to waive its rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not ban an exclusive arbitration clause.

7. The following sentence is added to the end of Section 16.03:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of North Dakota; **(B)** Franchisee is a resident of the State of North Dakota; and/or **(C)** the franchised ARCpoint Labs business will be located or operated in the State of North Dakota.

2. The following sentences are added to the end of Section 5.02:

Notwithstanding the foregoing, in the State of North Dakota, Franchisor will defer the payment of the Initial Franchise Fee until Franchisee opens the Franchised Business. Upon the opening of the Franchised Business, Franchisee shall pay the Initial Franchise Fee to Franchisor.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.

3. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchises to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

K. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

6. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Rhode Island; **(B)** Franchisee is a resident of the State of Rhode Island; and/or **(C)** the franchised ARCpoint Labs business will be located or operated in the State of Rhode Island.

1. The following is added to the end of Section 19 of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

4. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC.

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

1. The following is added to the end of Section 5.01 of the Franchise Agreement:

The Virginia State Corporations Commission’s Division of Securities and Retail Franchising requires Franchisor to defer payment of the Initial Franchise Fee and other initial payments owed by Franchisee to Franchisor until Franchisor has completed its pre-opening obligations under the Franchise Agreement and the Franchised Business has opened for business.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.

2. The following is added to the end of Section 19 of the Franchise Agreement:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

4. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**ADDENDUM TO THE ARCPPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the ARCpoint Labs Franchise Agreement dated _____ (“Franchise Agreement”) between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, (“Franchisor”) and _____ a _____ (“Franchisee”), is effective as of the date beneath Franchisor’s signature (“Effective Date”).

Background. The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Agreement regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the Franchise Agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the Franchise Agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the Franchise Agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the Franchise Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the Franchise Agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in Franchise Agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the Franchise Agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the Franchise Agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the Franchise Agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the Franchise Agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the Franchise Agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the Franchise Agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor,

franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the Franchise Agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise
19. **Fee Deferral.** The State of Washington has imposed a financial condition under which the Initial Franchise Fees due will be deferred until Franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because Franchisor has material pre-opening obligations with respect to each Franchised Business Franchisee opens under the Multi-Franchise Addendum, the State of Washington will require that the Initial Franchise Fees be released proportionally with respect to each Franchised Business.

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

EXHIBIT G
MANUAL TABLE OF CONTENTS

Contents

Preface (Section 1)	1 (Total pages ½)
A. Confidentiality	1 (Total pages 1½)
B. Overview	2(Total pages 3 ½)
C. Purpose of the Manual.....	5(Total pages 1 ½)
D. Submitting Suggestions	6(Total pages 1 ½)
Introduction (Section 2)	7
A. Letter from the CEO.....	8(Total pages 2)
B. Introduction to ARCpoint Franchise Group (AFG).....	10(Total pages 1 ½)
C. Overview of Services Provided to Franchisees	11(Total pages 1/2)
D. Overview of Franchisee Responsibilities	11(Total pages 1 ½)
E. Visits From AFG.....	12(Total pages 1)
F. Fees	12(Total pages 3)
Opening Procedures (Section 3)	16
A. Intro to Pre-Opening Procedures	16(Total pages 1/2)
B. Business Organization	16(Total pages 6 ½)
C. ARCpoint Labs Real Estate Guidebook	22(Total pages 36 ½)
D. License and Permits	59(Total pages 1 ½)
E. Operations Manual – Training.....	60(Total pages 5 ½)
F. Support Tools	65(Total pages 2 ½)
G. Setting Up an ARCpoint Labs Facility	68(Total pages 1 ½)
H. Utilities / Services.....	69(Total pages 2 ½)
I. Uniforms	71(Total pages ½)
J. Required/Recommended Bank Accounts.....	72(Total pages ½)
K. Insurance Requirements in Franchise Agreement	72(Total pages 3 ½)
L. Grand Opening/Ribbon Cutting	76(Total pages 4)
M. Staffing	80(Total pages 14 ½)
N. Operational Documents	94(Total pages 3)
Personnel (Section 4)	97 (Total pages ½)
A. Staffing	97(Total pages 4 ½)
B. Preparing to Hire the First Employee	102(Total pages ½)
C. Job Responsibilities and Ideal Employee Profiles	102(Total pages ½)
D. Job Descriptions	103(Total pages 5 ½)
E. 3 Ideal Employee Profiles	108(Total pages 1 ½)
F. Recruiting Employees	109(Total pages 8)
G. Requirements to Advertise Open Positions	117(Total pages ½)
H. Job Application.....	117(Total pages 5 ½)

I.	Interviewing Job Applicants.....	123(Total pages 4)
J.	Background Checks.....	127(Total pages 3)
K.	Miscellaneous Hiring Issues.....	129(Total pages 1 ½)
L.	New Employee Paperwork.....	130(Total pages 1 ½)
M.	Additional Steps in the Hiring Process.....	132(Total pages 3)
N.	Personnel Policies	135(Total pages 1 ½)
O.	Paying Employees	136(Total pages 2 ½)
P.	Employee Scheduling.....	138(Total pages 1 ½)
Q.	Employee Morale/ Motivation	140(Total pages 2)
R.	Performance Evaluations.....	141(Total pages 2 ½)
S.	Discipline and Termination	143(Total pages 2 ½)
T.	Resignation and Termination	145(Total pages 4)
U.	Good Employee Management Practices.....	149(Total pages ½)
V.	Getting Legal Help with Employment Law Issues	149(Total pages ½)
Daily Operating Procedures (Section 5)		150 (Total pages 1)
A.	Suggested Operating Hours.....	150(Total pages 1 ½)
B.	Customer Service Philosophy.....	151(Total pages 1 ½)
C.	Service Procedures	153(Total pages 3 ½)
D.	Merchandising Procedures	156(Total pages ½)
E.	Clinical Authority Instructions	156(Total pages 2 ½)
F.	Handling Late Payments from Clients.....	159(Total pages 2)
G.	Transacting Sales.....	160(Total pages 2 ½)
H.	Inventory Management.....	162(Total pages 2)
I.	Operational and Financial Reporting Requirements.....	164(Total pages 1)
J.	Financial Management	164(Total pages 1 ½)
K.	Accounting Processing	165(Total pages 13 ½)
Business Development/Sales Procedures (Section 6)		180 (Total pages 1)
A.	The First Year.....	181(Total pages 1 ½)
B.	The Sales Process	182(Total pages 25)
Marketing (Section 7).....		207
A.	Overview of Services Provided to Franchisees	207(Total pages ½)
B.	Promoting Business in the Area	207(Total pages 1 ½)
C.	Required Marketing Expenditures.....	208(Total pages 1 ½)
D.	Online Scheduling and Ecommerce	209(Total pages ½)
E.	Local Marketing	209(Total pages 2 ½)
F.	Public Relations / Community.....	211(Total pages 1 ½)
G.	Obtaining Marketing Approval	213(Total pages ½)

EXHIBIT H

LIST OF CURRENT AND FORMER FRANCHISEES

List of Franchised Businesses as of December 31, 2024

Entity Name	Contact Person	Address	City	State	ZIP	Phone
Business Lab Solutions, Inc.	Terry Pouncey	5510 Highway 280 South Suite 215	Birmingham	AL	35242	205-968-1090
Caron Grason Corporation	Damon Hadder	5920 Grelot Rd. Suite E	Mobile	AL	36609	251-725-0091
Ozark Diagnostics lab	Sultan Ali	5204 South Thompson Street Suite B	Springdale	AR	72764	479-365-7083
ARCpoint Labs of Tucson	Wendell Long	6401 S Country Club Rd Suite 105	Tucson	AZ	85706	520-230-8900
Central California Testing, Inc.	Leslie Elliott - Katy Houchin	7737 Meany Avenue Suite B-9	Bakersfield	CA	93308	661-679-6799
DKBK Enterprises, INC	Doug Kimball	43823 10th Street W	Lancaster	CA	93534	661-945-1011
Hummocks Holdings, LLC	Harry Pershing	2320 S. Robertson Blvd Suite 102	Los Angeles	CA	90034	310-862-4333
San Joaquin Labs, LLC	Talwinder Singh & Connie Howells	119 N. Maple Ave Suite A	Manteca	CA	95336	209-629-8282
Evia Diagnostics, LLC	Maya Patel	3237 Alhambra Ave Suite 2	Martinez	CA	94553	925-957-6870
Computersmiths LLC	Belle Smith	24560 Silver Cloud Ct Suite 103	Monterey Bay	CA	93940	831-324-0772
SLM Diagnostics, LLC	Scott Murphy	405 Boulder Court Suite 100	Pleasanton	CA	94566	925-236-1700
Silver Moon Holdings, Inc.	Luis Luna	6681 Blue Oaks Blvd Suite 1	Roseville	CA	95765	279-300-2700
Forest Row, Inc.	Craig Trenton	1578 Howe Ave.	Sacramento	CA	95825	916-565-0400
Computersmiths LLC	Belle Smith	635 Sanborn Place Suite 24	Salinas	CA	93901	831-975-4313
ZOLEA	Lauren Wilson	3434 Midway Dr. Suite 1004	San Diego	CA	92110	209-495-2760
RRAB Laboratories Inc	Ani Sanyal	25 14h Street Suite 160	San Jose	CA	95112	732-261-0464
Evia Diagnostics, LLC	Maya Patel	4340 Redwood Hwy, Suite A-33	San Rafael	CA	94903	415-475-4620
SoCal Diagnostic Labs Inc.	Asad Abu-Tarif	3500 South Bristol Street Suite 205	Santa Ana	CA	92704	949-210-9024

Entity Name	Contact Person	Address	City	State	ZIP	Phone
Oliver Enterprises, Inc.	Theresa Oliver	8620 Sorensen Avenue Suite #4	Santa Fe Springs	CA	90670	562-696-3033
Eurova Ventures LLC	Didi Barzachka	4910 Massachusetts Avenue NW Suite 219	Washington	DC	20016	202-808-3389
ADK Diagnostics LLC	Dmitriy Kim	2300 Pennsylvania Ave Suite 2AB	Wilmington	DE	19806	302-932-4565
Laboratory Testing of Central Florida, Inc.	Jim Carmona	774 Northlake Boulevard Suite 1008	Altamonte Springs	FL	32701	407-951-7575
Akshil LLC	Kapil Harkhani	1880 59 th St West	Bradenton	FL	34209	941-251-4958
Leyana Medical Laboratory	Damineh Oveisi	1969 Sunset Points Rd	Clearwater	FL	33765	813-464-5563
Padilla & Moscoloni LLC	Marina Padilla	4989 West Atlantic Avenue	Delray Beach	FL	33445	561-576-9700
Shivalay LLC	Tapan Vora	11150 N Williams Street Suite 101B	Dunnellon	FL	34432	352-489-4960
Demara Laboratory Services	Rachel Demara	930 Mar Walt Drive	Fort Walton Beach	FL	32547	850-468-4602
Intracostal Labs AP Jax, LLC	Randi Beesing	11363 San Jose Blvd. Suite 100	Jacksonville	FL	32223	904-676-0238
FL - LLC	Bobby Patel	8290 SW Hwy 200	Ocala	FL	34481	352-509-7890
Foster Labs, LLC	Jay Trumbull	913 Harrison Avenue	Panama City	FL	32401	850-215-4248
C Harrison Health LLC	Clifford Gray	135 SW Port St. Lucie Blvd	Port St Lucie	FL	34984	772-732-2028
Gulf Coast Ocean Insights LLC	Breck Miller	4713 66th St N	Saint Petersburg	FL	33709	727-209-7090
NNDL Inc.	Nancy Erickson	3410 Magic Oak Lane	Sarasota	FL	34232	941-388-7745
Royal Quail Business Solutions LLC	Akinkawon Frierson	2744 US-1 South	St. Augustine	FL	32086	888-890-1054 ext 1001
Florida Medical Labs, Inc.	Roopal Shah - Jwalant Bhatt	2901 W Busch Blvd STE 206	Tampa	FL	33618	813-618-5227
Florida Medical Labs, Inc.	Roopal Shah - Jwalant Bhatt	1933 North Pinellas Avenue	Tarpon Springs	FL	34689	727-609-5227
Gryffins Talon LLC	Chris Mayer	5601 Corporate Way Suite 108	West Palm Beach	FL	33407	561-420-0010

Entity Name	Contact Person	Address	City	State	ZIP	Phone
Alex Rodriguez	Alex Rodriguez	16210 Indian Trace	Weston	FL	33326	954- 234-4950
PNP 2 INC INV	Parvish Meradia	125 Atlanta Street	Barnesville	GA	30204	470-592-2109
S&S Health Solutions, LLC	Ali Akdeniz	3635 Savannah Place Drive	Duluth	GA	30096	470-508-4330
Barks Group, Inc	Steve Keever	664 Lanier Park Drive Suite B	Gainesville	GA	30501	770-297-5070
CAPHEALTH LLC	Paul Chukelu	11230 Alpharetta Highway Suite 116	Roswell	GA	30076	770-639-3237
SJS Medical Labs, LLC	Steve Slater	1860 W. Winchester Rd	Libertyville	IL	60048	847-485-0808
Gist Entities, LLC	Ebonie Gist	11006 W 179th Street	Orland Park	IL	60467	708-963-1200
Live Health LLC	Eugene Pride	3855 E 96 th St Suite E	Indianapolis	IN	46240	317-437-1852
McGarvey Labs, LLC	Scott McGarvey	8174 Mall Road	Florence	KY	41042	859-444-6700
Sanchez Clinical Diagnostic Services, LLC	Alex Sanchez	152 West Tiverton Way, Suite 120	Lexington	KY	40503	859-346-3330
BDC Lab Service, LLC	Brandi Cothren	11135 Industriplex Boulevard Suite 1100	Baton Rouge	LA	70809	225-289-5138
MADVACAR, LLC	Todd Rowland	7043 Hwy 190 East Service Road Suite A	Covington	LA	70433	985-273-5544
Drug and Wellness Screenings LLC	Lanette Duggan	5-11 Drydock Ave Suite 2020	Boston	MA	02210	617-340-2500
Arbor Wellness LLC	Matt Pappas	420 Washington Street Suite 100	Braintree	MA	02184	781-385-4990
Global Digitine, LLC	Gauri Bhalakia	333 Turnpike Rd Suite 103	Southborough- Framingham	MA	01772	508-281-0501
Arbor Wellness LLC	Matt Pappas	400 West Cummings Park Suite 3500	Woburn	MA	01801	781-460-6020
Global Digitine, LLC	Gauri Bhalakia	324 Grove Street	Worcester	MA	01605	774-230-5632
NAP MD, LLC	Nirav Patel	6020 Meadowridge Center Drive Suite O	Columbia	MD	21075	410-781-1776
OMG Holdings LLC	Robert Goodman	6 Post Office Road Suite 102	Waldorf	MD	20602	301-645-5227
Latifa Inc.	Nasreen Akhter	14690 Galaxie Ave #110	Apple Valley	MN	55124	651-400-9388

Entity Name	Contact Person	Address	City	State	ZIP	Phone
Kahlert Companies, Inc.	Paul Kahlert	7685 Parklawn Avenue Suite 200	Edina	MN	55435	952-513-7174
Rapid Mobile Testing, LLC	Fahima Abdi	21897 South Diamond Lake Road Suite 650	Rogers	MN	55374	612-662-7884
MJB Industries, LLC	Josh Becker	3795-3793 New Town Blvd Suite 3769	St. Charles	MO	63301	636-410-8271
Lambert Health, Inc.	Scott Lambert	11255 Olive Blvd	St. Louis	MO	63141	314-597-6767
Pandya & Treasurer, LLC	Hetal Pandya	1960 Randolph Road Suite 201	Charlotte	NC	28207	980-375-5426
ANB Wellness, Inc.	Bryan Johnson	10410 Park Road Suite 200	Charlotte	NC	28210	704-704-6176
Bajwa Enterprises	Moe Bajwa	10320 Mallard Creek Rd Suite 180	Charlotte	NC	28262	704-900-8278
Pine Dog Group, Inc.	Jeff Allen	605 S. Reilly Road Suite 104	Fayetteville	NC	28314	910-758-5168
Pine Dog Group, Inc.	Jeff Allen	2315 Executive Circle Suite B	Greenville	NC	27834	252-215-5688
SVWS Enterprises, LLC	Chris Sochacki	1252 26th St SE	Hickory	NC	28602	828-483-5800
Pine Dog Group, Inc.	Jeff Allen	3221 Henderson Drive	Jacksonville	NC	28546	910-330-0500
Pine Dog Group, Inc.	Jeff Allen	2500 Trent Road Suite 34	New Bern	NC	28562	252-514-8049
SAILAB, LLC	Senthil Kumar	3813 Junction Blvd	Raleigh	NC	27603	919-338-7904
SAILAB, LLC	Senthil Kumar	3326 Durham Chapel Hill Blvd Suite A 110	Raleigh-Durham	NC	27707	919-338-7900
Songhai LLC	Tene Osahar	2242 W. Roosevelt Suite E	Wadesboro	NC	28110	704-777-1114
Neelon Labs, LLC	Jeff Neelon	3726 Vest Mill Road	Winston-Salem	NC	27103	336-999-8298
KamBino, Inc.	Scott Kaminski	310 Regency Parkway Suite 110	Omaha	NE	68114	402-505-9191
PKClemens Enterprises LLC	JP Clemens	1542 Kuser Rd Unit B-4	Trenton-Hamilton	NJ	08619	609-557-3350
Dewi Sant, Inc.	Calvi Nightingale	3365 East Flamingo Road Suite 4	Las Vegas	NV	89121	702-451-5434
McGarvey Labs, LLC	Scott McGarvey	4357 Ferguson Drive Suite 130	Cincinnati	OH	45245	513-653-6600

Entity Name	Contact Person	Address	City	State	ZIP	Phone
Medical Testing Services, Inc.	Saran Palaniswamy	1335 Dublin Road Suite 118-E	Columbus	OH	43215	614-484-5115
New Horizon Clinicians, Inc.	Oreste Cerilli	3019 Production Court	Dayton	OH	45414	937-306-6038
Zakeri Clinical Testing Inc.	Betty Zakeri	1487 West Main Street	Tipp City	OH	45371	937-877-3034
Onpoint Labs, Inc.	Laura Cavanaugh	580 Office Parkway, Suite 140	Westerville	OH	43082	614-714-6000
Starlight Labs LLC	Satish Patel	2126 S. Meridian Avenue	Oklahoma City	OK	73108	405-724-2010
First Chouse Labs LLC	Shelly Sagar	2010 SE 182nd Ave	Portland	OR	97233	503-334-0100
BSK Laboratories	Bob Kondraske	275 South Main Street Suite #4	Doylestown	PA	18901	215-230-3879
Shivesh Inc	Bhavin Pathak	205 Grandview Avenue Suite 303	Harrisburg	PA	17011	717-562-4940
R.M. Sykes, Inc.	Rob Sykes	1012 West Ninth Ave Suite 130	King of Prussia	PA	19406	484-370-2725
Roniks, LLC	Khushroo Shroff	233 S, 6th Street Unit C-2	Philadelphia	PA	19106	267-639-3342
Roniks, LLC	Khushroo Shroff	4022 Market Street	Philadelphia	PA	19104	267-639-3342
Three Rivers Lab Testing, LLC	Jean DeFilippis	8158 Perry Highway	Pittsburgh	PA	15237	724-906-4086
ANB Wellness, Inc.	Bryan Johnson	725 Cherry Rd, Suite 157A	Rock Hill	SC	29732	803-818-2120
KVS Holdings LLC	Keith Sands	6102 Shallowford Road Suite 102	Chattanooga	TN	37421	423-468-3734
Middle Tennessee Labs LLC	Craig Parker	2525 Perimeter Place Drive Suite 106	Nashville	TN	37214	865-412-4232
PLASA Inc.	Paul Casterlin	6448 East Hwy 290 Suite E105	Austin	TX	78723	512-772-5110
Rocklio Labs LLC	Mark Miller	4100 Fairway Ct Suite 100	Carrollton	TX	75010	469-613-4008
PLASA Inc.	Paul Casterlin	921 West New Hope Drive Suite 103B	Cedar Park	TX	78613	512-767-1116
Lane Diagnostics, LLC	Don and Ann Lane	2508 W 2 nd Ave	Corsicana	TX	75110	903-874-9007

Entity Name	Contact Person	Address	City	State	ZIP	Phone
Neroli Corporation	Olaleye Olaosebikan	12312 Barker Cypress Rd Suite 1200	Cypress	TX	77429	832-632-3157
True Providence Labs LLC	Godwin Awhen	8067 W. Virginia Dr Suite 101	Dallas	TX	75237	214-774-9544
Peridot Ventures LLC	Quanique Johnson	2721 Shoreline Drive Suite 120	Denton	TX	76207	469-648-3300
Quies Investments	Scott Callis	2757 Airport Freeway	Fort Worth	TX	76111	682-707-5474
Livingwell Labs LLC	Gerald Okafor	5224 South Hwy 360, Suite 225	Grand Prairie	TX	75052	214-235-0371
Datoba International, LLC	Vincent Balogun	7447 Harwin Drive Suite A 103	Houston	TX	77036	832-285-3132
Legacy Labs LLC	Celsey Sandburg	11200 Northwest Freeway Suite 500	Houston	TX	77092	832-583-0050
Jeremy Luong	Jeremy Luong	17903 West Lake Houston Parkway	Humble	TX	77346	717-864-6852
Quies Investments	Scott Callis	8925 Sterling Street Suite 255	Irving	TX	75063	469-209-7400
KMC Health Services	Kemka Hekerem	21777 Merchants Way Suite 420	Katy	TX	77449	713-832-9993
Johnna Stotts Davis, LLC	Johnna Davis	2511 US Hwy 281 Suite 300	Marble Falls	TX	78654	830-320-3926
Chilka Labs LLC	Dr. Sesha Chary	244 Farm to Market Rd 306 #122	New Braunfels	TX	78130	210-844-3026
Evnic Labs Inc	Dac Jackson	8217 Mid Cities Blvd Suite 300	North Richland Hills	TX	76182	817-518-7613
Ravy Group LLC	Richard Duarte	1139 Southeast Military Drive Suite 108	San Antonio	TX	78214	726-208-7892
Advanced Technology & Testing Solitions, LLC	Pat Prokop	9920 Highway 90 A Suite 160 D	Sugar Land	TX	77478	346-279-0097
Hypeman Supply and Logistics Services Coy LLC	Remi Afonja	107 Ranch Road 620 S Suite 111AB	The Hills	TX	78734	512-361-7935
S and S Diagnostics, Inc	Shyam Venkataraman	2520 Research Forest Dr Suite 400	The Woodlands	TX	77381	936-283-4099

Entity Name	Contact Person	Address	City	State	ZIP	Phone
TP Wellness Labs and Technology Testing Solutions LLC	Timika Pierce	13223 River's Bend Blvd.	Chester	VA	23836	804-750-5900
Global Biomed Laboratories INC	Denis Tebit	2955 Market St. NE Suite B2	Christiansburg	VA	24073	540-251-5171
Bajwa Enterprises	Moe Bajwa	462 Herndon Pkwy Unit 103	Herndon	VA	20170	703-689-2721
Global Biomed Laboratories INC	Denis Tebit	20276 Timberlake Road	Lynchburg	VA	24502	434-813-1717
NEB, LLC	Michelle Bratcher	2004 Bremono Rd. Suite 103	Richmond	VA	23226	804-592-2652
Global Biomed Laboratories INC	Denis Tebit	1627 E. Main Street	Salem	VA	24153	540-524-2822
Cascade Northwest Services	Brett Kinney	4220 Meridian Street Suite 101	Bellingham	WA	98226	360-922-0275
Cascade Northwest Services	Brett Kinney	17306 Smokey Point Drive Suite 19	Marysville	WA	98223	360-322-7626
Neo Pacific Corporation	Taylor Collyer	4300 Talbot Road S. Bldg 200	Renton	WA	98055	425-264-5251
Neo Pacific Corporation	Taylor Collyer	4636 East Marginal Way South Suite B 250	Seattle	WA	98134	206-455-8970
ISMM Clinical LLC	Inderjit Deol	1818 South Union Avenue, Suite 2A	Tacoma	WA	98405	253-523-2800

Franchisees That Signed Franchise Agreements But Their Outlets Were Not Open as of December 31, 2024

Entity Name	Franchisee	Phone Number	City	State	ZIP
Business Lab Solutions, Inc.	Terry Pouncey	205-305-2801	Chelsea	AL	35043
Amit Chauhan	Amit Chauhan	519- 980-2413	Scottsdale	AZ	85032
Negawnee Enterprises, Inc.	Wendell Long	520-800-9235	Tucson	AZ	85710
Forest Row, Inc.	Craig Trenton	898-405-6766	Brentwood	CA	94513
Evia Diagnostics, LLC	Maya Patel	650-400-0009	Pacifica	CA	94044
Evia Diagnostics, LLC	Maya Patel	650-400-0009	Pacifica	CA	94044
Evia Diagnostics, LLC	Maya Patel	415-971-9033	Pacifica	CA	94044
Silver Moon Holdings, Inc.	Luis Luna	916-778-9417	Rockville	CA	95765
ZOLEA	Lauren Wilson	209-495-2760	San Diego	CA	92110
ZOLEA	Lauren Wilson	209-495-2760	San Diego	CA	92110
ZOLEA	Lauren Wilson	209-495-2760	San Diego	CA	92110
ZOLEA	Lauren Wilson	209-495-2760	San Diego	CA	92110
Oliver Enterprises, Inc.	Theresa Oliver	925-628-9141	Whitter	CA	90601
Oliver Enterprises, Inc.	Theresa Oliver	925-628-9141	Whitter	CA	90601
Eurova Ventures LLC	Barzachka Kirkov	703-965-0338	Washington	D.C.	20155
JRC ARCpoint Labs LLC	Roopal Shah - Jwalant Bhatt	813-395-0000	Brandon	FL	33510

Entity Name	Franchisee	Phone Number	City	State	ZIP
Padilla & Moscoloni, LLC	Marina Padilla	561-576-9700	Delray Beach	FL	33445
DOC Business Enterprise Company	Doc Ojukwu	305-785-5424	Hialeah	FL	33015
Gryffins Talon LLC	Chris Mayer	305-323-9629	The Villages	FL	32162
S&S Health Solutions LLC	Ali Akdeniz	470-508-4330	Duluth	GA	30096
Barks Group Inc	Steve Kever	770-335-9912	Dunwoody	GA	30038
Barks Group Inc	Steve Kever	770-335-9912	Dunwoody	GA	30038
MADVACAR, LLC	Todd Rowland	504-520-0010	Mandeville	LA	70471
Drug and Wellness Screenings LLC	Lanette Duggan	978-578-4458	Boston	MA	02210
Drug and Wellness Screenings LLC	Lanette Duggan	978-578-4458	Boston	MA	02210
Health Fitness, LLC	Shoaib Khan	2097-430-124	Gaithersburg	MD	20882
Latifa Inc	Nasreen Akther	614-383-51864	Minneapolis	MN	55124
SAILAB, LLC	Senthil Kumar	702-809-1595	Cary	NC	27519
SAILAB, LLC	Senthil Kumar	919-999-7805	Morrisville	NC	27560
Neelon Labs, LLC	Jeff Neelon	336-442-5695	Winston- Salem	NC	27103
Neelon Labs, LLC	Jeff Neelon	910-258-4706	Winston-Salem	NC	27103
KamBino, Inc	Scott Kaminski	402-536-0747	Omaha	NE	68007
PKClemens Enterprises LLC	JP Clemens	609-902-2366	Lawrenceville	NJ	08648

Entity Name	Franchisee	Phone Number	City	State	ZIP
PKClemens Enterprises LLC	JP Clemens	609-902-2366	Lawrenceville	NJ	08648
Dewi Sant, Inc	Calvi Nightingale	702-451-5434	Las Vegas	NV	89121
McGarvey Labs, LLC	Scott McGarvey	513-653-6600	Cincinnati	OH	45245
Medical Testing Services, Inc.	Saran Palaniswamy	614-218-3553	Columbus	OH	43215
Starlight Labs LLC	Satish Patel	405-819-7343	Oklahoma City	OK	73108
Starlight Labs LLC	Tina Patel	405-819-7343	Oklahoma City	OK	73108
BSK Laboratories	Bob Kondraske	215-219-4086	Doylestown	PA	18902
BSK Laboratories	Bob Kondraske	215-219-4086	Doylestown	PA	18902
R.M. Sykes, Inc.	Rob Sykes	215-803-0518	Glenside	PA	19038
Three Rivers Lab Testing, LLC	Jean DeFilippis	412-302-9313	Wexford	PA	15090
Three Rivers Lab Testing, LLC	Jean DeFilippis	412-302-9313	Wexford	PA	15090
Three Rivers Lab Testing, LLC	Jean DeFilippis	412-302-9313	Wexford	PA	15090
Three Rivers Lab Testing, LLC	Jean DeFilippis	412-302-9313	Wexford	PA	15090
KVS Holdings LLC	Keith Sands	423-468-3734	Chattanooga	TN	37421
PLASA Inc.	Paul Casterlin	512-423-5653	Austin	TX	78738
Chilka Labs LLC	Dr. Sessa Chary	830-584-0040	Boerne	TX	78006
Lane Diagnostics, LLC	Don Lane	903-641-8305	Corsicana	TX	75110
Quies Investments	Scott Callis	940-453-5943	Lake Dallas	TX	75065

Entity Name	Franchisee	Phone Number	City	State	ZIP
Quies Investments	Scott Callis	940-453-5943	Lake Dallas	TX	75065
Advanced Technology & Testing Solutions, LLC	Pat Prokop	847-977-2916	Sugar Land	TX	77478
Bajwa Enterprises	Moe Bajwa	704-223-3402	Herndon	VA	20170
Cascade Northwest	Brett Kinney	425-344-8300	Stanwood	WA	98292
ISMM Clinical LLC	Inderjit Deol	253-523-2800	Tacoma	WA	98405
Durocher Enterprises Inc.	Renee Durocher	920- 800-5111	Green Bay	WI	54311
Durocher Enterprises Inc.	Renee Durocher	920- 800-5111	Green Bay	WI	54311
SJS Medical Labs, LLC	Steve Slater	847- 819-2356	Kenosha	WI	53140

Former Franchisees:

The name and last known address of every franchisee who had an ARCpoint Labs Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2024 to December 31, 2024, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Transfers

Entity Name	Contact Person	Location Name	Address	Phone Number
BMK Management Inc.	Kathleen Buckland	TX – The Woodlands	2520 Research Forest Dr Suite 400 The Woodlands, TX 77381	214- 334-8074
Xtecusa Corporation	Khyati Patel	FL - Tampa	2901 W Busch Blvd STE 206 Tampa, FL 33618	813- 567-9877
Gryffins Talon LLC	Chris Mayer	FL – Delray Beach	4989 West Atlantic Avenue Delray Beach, FL 33445	305- 323-9629
Dewi Sant Inc.	Jimmy Platt	NV – Las Vegas	3365 East Flamingo Road Suite 4 Las Vegas, NV 89121	702- 321-2348
Cabbo LA LLC	Bob Duncan	CA – West Los Angeles	2320 S. Robertson Blvd Suite 102 Los Angeles, CA 90034	310- 279-8207

Ceased Operations

Entity Name	Contact Person	Location Name	Address	Phone Number
Medical Labs of Arizona LLC	Kevin Concannon	AZ – ARCpoint Labs of Scottsdale North	7812 E Acoma Drive Suite 7 Scottsdale, AZ 85260	480-939-4656
Hanson Laboratories LLC	Jessica Hanson	AZ – ARCpoint Labs of Tempe- Chandler	2979 West Elliot Road Suite 1 Chandler, AZ 85224	480-590-6124
Gryffins Talon LLC	Chris Mayer	FL – ARCpoint Labs of Jupiter	275 Toney Penna Drive #11 Jupiter, FL 33458	561- 778-5200
Laboratory Testing of Kissimmee, INC	Jim Carmona	FL – ARCpoint Labs of Kissimmee	716 N. John Young Pkwy Kissimmee, FL 34741	407-329-34741

Entity Name	Contact Person	Location Name	Address	Phone Number
Eugenia Zabala	Eugenia Zabala	FL - ARCpoint Labs of Miami South	7305 Southwest 107th Avenue Miami, FL 33173	786-469-1050
Florida Medical Labs INC	Khyati Patel	FL – ARCpoint Labs of Brandon	141 N Oakwood Brandon, FL 33510	813-395-0000
Laborant LLC	Mariia Demianchenko	FL – ARCpoint Labs of Tamarac	7710 N.W. 71st Court Suite 110 Tamarac, FL 33321	754-333-7303
EGreen Enterprises, Inc	Edie Swaggard Green	GA – ARCpoint Labs of Douglasville	3150 Golf Ridge Boulevard Suite 101 Douglasville, GA 30135	716-308-6266
Gist Entities, LLC	Ebonie Gist	IL – ARCpoint Labs of Downers Grove	2593 Ogden Ave. Downers Grove, IL 60515	630-454-6140
RAVY Group, LLC	Richard Duarte	TX – ARCpoint Labs of San Antonio Medical Center	8666 Huebner Road Suite 102 San Antonio, TX 78240	726-800-6800
DL Wellness Partners, Inc.	David Hopkins	TX – ARCpoint Labs of Bay Area Houston	16868 Hwy 3 Webster, TX 77598	281-572-0151
Tangent Labs LLC	Rudy Patel	VA – ARCpoint Labs of Virginia Beach	4624 Pembroke Blvd Suite 102 Virginia Beach, VA 23455	757-304-3013
Tangent Labs LLC	Rudy Patel	VA – ARCpoint Labs of Portsmouth	742 Florida Ave. Portsmouth, VA 23707	757-208-1140
Tangent Labs LLC	Rudy Patel	VA – ARCpoint Labs of Hampton	903 Enterprise Pkwy Ste 140 Hampton, VA 23666	757-208-1140
Wedal WellNess Group, Inc.	Alan Wedal	WI – ARCpoint Labs of Milwaukee North	4125 N 124th Street Suite G Brookfield, WI 53005	262-923-8386
Skye Hill Ventures, INC	Gibbs Jones	SC - ARCpoint Labs of Columbia West	634 Sunset Blvd Columbia, SC 29169	803-795-4290
Skye Hill Ventures, INC	Gibbs Jones	SC – ARCpoint Labs of Spartanburg	115 Southport Road Suite L Spartanburg, SC 29306	864-641-6989

Non Renewals

Entity Name	Contact Person	Location Name	Address	Phone Number
Coastal Med Labs, LLC	George Hutnik	NC – Wilmington	1536 Castle Hayne Rd Suite 202 Wilmington, NC 28401	910-762-1223

Terminations

Entity Name	Contact Person	Location Name	Address	Phone Number
FranEx Global, LLC	Raj Anthony pillai	CT – ARCpoint Labs of Wethersfield	899 Silas Deane Hwy Suite 01 Wethersfield, CT 06109	860-356-0020
JBHF Health, LLC	Sam Fahmy	FL – ARCpoint Labs of Downtown Orlando	619 East Colonial Drive Orlando, FL 32803	407-916-9556
Accurate Lab Test of Florida, Inc.	Jitendra Suman	FL – ARCpoint Labs of Fort Myers	4350 Fowler Street #2 Ft. Myers, FL 33901	239-931-1036
Biz Info Tech Consulting Solutions LLC	Hassan Choudhury	GA – ARCpoint Labs of Atlanta- Buckhead	550 Pharr Rd Suite 200 Atlanta, GA 30305	678-973-0045
Tesfa Corporation	Mezgebe Gebrekiristos	IL – ARCpoint Labs of Schaumburg	1375 Remington Road Suite A Schaumburg, IL 60173	847-306-6011
Bunka Enterprise, LLC	Fartun Hussein	MN – ARCpoint Labs of Minneapolis	2336 Central Avenue Northeast Minneapolis, MN 55418	612-223-8085
Bunka Enterprise, LLC	Fartun Hussein	MN – ARCpoint Labs of Golden Valley	701 Decatur Avenue N Suite 101 Golden Valley, MN 55427	952-955-9840
Cambrant, LLC	Gladys Nyamimba and Cathy Ntini	TX – ARCpoint Labs of Plano	6100 K Avenue Suite 108 Plano, TX 75074	469-915-5666

EXHIBIT I
GENERAL RELEASE

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of ____, 20__ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of ARCpoint Franchise Group, LLC, a South Carolina limited liability company ("Franchisor," and together with Releasor, the "Parties").

Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate an ARCpoint Labs business;

Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (**enter into a successor franchise agreement**), and Franchisor has consented to such transfer (**agreed to enter into a successor franchise agreement**); and

As a condition to Franchisor's consent to the transfer (**Franchisee's ability to enter into a successor franchise agreement**), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer (**Franchisor entering into a successor franchise agreement**), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the

opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Georgia.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. A general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

, a

By:

Name:

Its:

FRANCHISEE'S OWNERS:

Signature

Typed or Printed Name

EXHIBIT J

DISCLOSURE ACKNOWLEDGEMENT FORM

Do not sign this form if you are a resident of Maryland or the business is to be operated in Maryland.

**DISCLOSURE ACKNOWLEDGMENT FORM
TO BE COMPLETED BEFORE SIGNING AN ARCPOINT LABS FRANCHISE AGREEMENT**

You are preparing to enter into an ARCpoint Labs Franchise Agreement (“Agreement”) with ARCpoint Franchise Group, LLC (“we” “our” or “us”). Please review each of the following questions carefully and provide complete responses to each.

Franchise Applicant _____

1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

Yes ___ No ___

2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

Yes ___ No ___

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more ARCpoint Labs businesses operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

FRANCHISE APPLICANT (ENTITY OWNER)

[Insert name of Franchise Applicant]

By: _____
[Name of Person signing on behalf of Franchise Applicant]

Its: _____
[Title of Person signing on behalf of Franchise Applicant]

FRANCHISE APPLICATION (INDIVIDUAL OWNERS)

[Insert name of Owner]

[Signature of Owner]

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the any state franchise registration and disclosure law.

This Disclosure Acknowledgment Form is not for use in the State of Washington. California franchisees should not complete this Disclosure Acknowledgment Form. If any California franchisee completes this Disclosure Acknowledgment Form, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Disclosure Acknowledgment Form.

EXHIBIT K
STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ARCpoint Franchise Group, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that ARCpoint Franchise Group, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale. Iowa requires that ARCpoint Franchise Group, LLC give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale. Michigan requires that Any Test Franchising, LLC give you this disclosure document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If ARCpoint Franchise Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commissioner, Washington, D.C. 20580 and the state agency listed on Exhibit D for your state.

The franchisor is ARCpoint Franchise Group, LLC, 303 Perimeter Center North, Suite 575, Atlanta, GA 30346. ARCpoint Franchise Group, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

Date of Issuance: August 8, 2025

The name, principal business address, and telephone number of each franchise seller offering the franchise is: Kelly Cromptvoets, Director and Interim President, ARCpoint Franchise Group, LLC 303 Perimeter Center North, Suite 575, Atlanta, GA 30346; (864) 271-3210; and Richard Sean Hart, Vice President of Franchise Development; Lynn Brewer, Franchise Development Director, Haigen Mirando, Franchise Development Director; and Vicki Wright Glaser, Franchise Development Associate; Cresso Brands, LLC 303 Perimeter Center North, Suite 575, Atlanta, GA 30346; (864) 271-3210; and Marcia Mead, M Squared Franchise Consulting, 1856 Davin Dr., Atlanta, GA 30319; Phone: 913.486.5105.

I received a disclosure document issued August 8, 2025, which included the following exhibits:

A	Financial Statements	F	State Required Agreement Addenda
B	Franchise Agreement	G	Manual Table of Contents
C	Multi-Unit Addendum	H	List of Current and Former Franchisees
D	State Administrators and Agents for Service of Process	I	General Release
E	Additional State Required FDD Disclosures	J	Disclosure Acknowledgement Form
		K	State Effective Dates

Dated: _____

PROSPECTIVE FRANCHISEE:

(Print Name)

By: _____

Please sign this copy of the receipt, date your signature, and retain it for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ARCpoint Franchise Group, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that ARCpoint Franchise Group, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale. Iowa requires that ARCpoint Franchise Group, LLC give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale. Michigan requires that Any Test Franchising, LLC give you this disclosure document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If ARCpoint Franchise Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commissioner, Washington, D.C. 20580 and the state agency listed on Exhibit D for your state.

The franchisor is ARCpoint Franchise Group, LLC, 303 Perimeter Center North, Suite 575, Atlanta, GA 30346. ARCpoint Franchise Group, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

Date of Issuance: August 8, 2025

The name, principal business address, and telephone number of each franchise seller offering the franchise is: Kelly Cromptvoets, Director and Interim President, ARCpoint Franchise Group, LLC 303 Perimeter Center North, Suite 575, Atlanta, GA 30346; (864) 271-3210; and Richard Sean Hart, Vice President of Franchise Development; Lynn Brewer, Franchise Development Director, Haigen Mirando, Franchise Development Director; and Vicki Wright Glaser, Franchise Development Associate; Cresso Brands, LLC 303 Perimeter Center North, Suite 575, Atlanta, GA 30346; (864) 271-3210; and Marcia Mead, M Squared Franchise Consulting, 1856 Davin Dr., Atlanta, GA 30319; Phone: 913.486.5105.

I received a disclosure document issued August 8, 2025, which included the following exhibits:

- | | | | |
|---|--------------------------------------------------------|---|----------------------------------------|
| A | Financial Statements | F | State Required Agreement Addenda |
| B | Franchise Agreement | G | Manual Table of Contents |
| C | Multi-Unit Addendum | H | List of Current and Former Franchisees |
| D | State Administrators and Agents for Service of Process | I | General Release |
| E | Additional State Required FDD Disclosures | J | Disclosure Acknowledgement Form |
| | | K | State Effective Dates |

Dated: _____

PROSPECTIVE FRANCHISEE:

(Print Name)

By: _____

Please sign this copy of the receipt, date your signature, and return it to ARCpoint Franchise Group, LLC.