

FRANCHISE DISCLOSURE DOCUMENT



AFC Franchising, LLC
3700 Cahaba Beach Road
Birmingham, Alabama 35242
(205) 403-8902
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www.afcfranchising.com
afclegal@americanfamilycare.com

The franchise is the right to establish and operate an urgent and accessible primary care management business that will provide certain non-clinical administrative services to a professional entity, which will, through independent physicians and professionally licensed healthcare persons or entities and subject to applicable laws, provide various levels and kinds of medical and related patient care and wellness services.

The total initial investment necessary to begin operation of a new American Family Care center ranges from \$955,500 to \$1,519,500. This includes ~~\$60,000~~ \$145,000 to ~~\$256,000~~ \$306,000 that must be paid to the franchisor or its affiliates. If we grant you area development rights pursuant to which you will agree to acquire multiple franchises. The total investment necessary to acquire the area development rights is estimated to be \$47,500 (~~based on a standard to develop a minimum of 3-unit development deal outlets~~), all of 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 agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, 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 Brandy Hopkins, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902.

The terms of your contract will govern your franchise relationship. Don't rely on the 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, D.C. 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 be laws on franchising in your state. Ask your state agencies about them.

Issued: April 25, 2025; as amended October 16, 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 E.
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 F 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 American Family Care franchised 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 American Family Care franchisee?	Item 20 or Exhibit E 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 State 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 risks(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with us by arbitration only in Alabama. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Alabama than in your home state.
2. **Unopened Franchises.** The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.
3. **Mandatory Minimum Payments.** You must make minimum advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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 the Michigan Franchise Investment 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the Area Development Agreement and Franchise Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
ITEM 2 BUSINESS EXPERIENCE.....	4
ITEM 3 LITIGATION.....	~~5~~ <u>6</u>
ITEM 4 BANKRUPTCY.....	~~6~~ <u>7</u>
ITEM 5 INITIAL FEES.....	~~6~~ <u>7</u>
ITEM 6 OTHER FEES.....	~~8~~ <u>9</u>
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	~~12~~ <u>13</u>
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	~~16~~ <u>17</u>
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	~~18~~ <u>19</u>
ITEM 10 FINANCING.....	~~19~~ <u>21</u>
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	~~20~~ <u>21</u>
ITEM 12 TERRITORY.....	~~29~~ <u>30</u>
ITEM 13 TRADEMARKS.....	~~30~~ <u>32</u>
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	~~32~~ <u>33</u>
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	~~34~~ <u>35</u>
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	~~35~~ <u>36</u>
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	~~35~~ <u>37</u>
ITEM 18 PUBLIC FIGURES.....	~~42~~ <u>44</u>
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....	~~43~~ <u>44</u>
ITEM 20 OUTLET'S AND FRANCHISEE INFORMATION.....	~~47~~ <u>48</u>
ITEM 21 FINANCIAL STATEMENTS.....	~~52~~ <u>53</u>
ITEM 22 CONTRACTS.....	~~52~~ <u>54</u>
ITEM 23 RECEIPTS.....	~~53~~ <u>54</u>

Exhibits

A Form of Franchise Agreement	F Financial Statements
B Form of Area Development Agreement	G Table of Contents for Manual
C Form of Conversion Addendum	H Sample General Release
D List of State Administrators and Agents for Service of Process	I State Specific Addenda and Riders
E List of Franchisees (Current Franchisees and Franchisees Who Have Left the System or Not Communicated with Franchisor)	J Receipts

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES AND RIDERS, IF ANY, APPEAR IN EXHIBIT I.

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

AFC Franchising, LLC, is referred to as “Franchisor”, “us”, “our”, and “we” in this disclosure document. “You” and “your” means the person or entity that will buy the franchise offered pursuant to this disclosure document. If you are not a natural person, the provisions of the franchise agreement also apply to your owners. We are an Alabama limited liability company and were formed on March 19, 2013. Our principal place of business, and that of our parents and affiliates identified in this Item 1, is 3700 Cahaba Beach Road, Birmingham, Alabama 35242. Our agents for service of process are listed in Exhibit D to this disclosure document.

In March 2013, our affiliate acquired the “Doctors Express” system of urgent care and accessible primary care management businesses. In May 2013, we began offering franchises for “Doctors Express” centers and, in October 2013, changed the brand name of the franchise from “Doctors Express” to “AFC/Doctors Express.” In October 2015, we once again changed the brand name of the franchise from “AFC/Doctors Express” to “American Family Care”.

Our only business is to offer and sell franchises for, and provide services to franchisees of, American Family Care Centers (each, a “Center”) and to manage the American Family Care franchise system. We do not offer, and have not in the past offered, franchises in any other line of business. We do not operate, and have not operated, a business of the type described in this disclosure document; however, our immediate parent and certain affiliates own and operate Centers.

Our Predecessor, Parent, & Affiliates

We do not have any predecessors that must be disclosed in this disclosure document.

We are a wholly owned subsidiary of American Family Care, LLC (“AFCLLC”); AFCLLC is a wholly owned subsidiary of AFC Intermediate, LLC; and AFC Intermediate, LLC is a subsidiary of AFC Parent Holdings, LLC, all of which share our principal business address.

Neither our parents nor any of our affiliates offer, or have previously offered, franchises in any line of business. However, AFCLLC and one of our affiliates provide certain products and services to our franchisees as described below:

AFCLLC sells certain supplies and equipment (including vaccinations), laboratory consulting, new clinic set-up and an optional weight-loss program, products, and credentialing assistance to our franchisees. AFCLLC also owns and has granted us a license to use and sublicense the use of the trademarks and other intellectual property used in the operation of the Centers.

Our affiliate, AFC Purchasing, LLC (“AFCP”), shares our principal business address and sells certain medical supplies and equipment used in Centers.

No other affiliates are required to be disclosed in this Item 1.

The Franchise Offered

The franchise is the right to own and operate a Center which provides certain prescribed or approved non-medical services to patients of the Center and, through a professional medical entity (the

“PC”), arranges for the provision by the PC of urgent and primary patient care and other health and wellness services such as treatment for certain physical injuries, infections, colds, flu, and certain other medical conditions; conducting lab tests, X-rays, and certain other diagnostic tests; administering certain vaccines; prescribing and dispensing certain medicines; and providing other related products and services (collectively, “Urgent and Primary Care Services”), all of which are provided and supervised at the Center by licensed physician(s). Each Center is equipped with several exam rooms, X-Ray equipment, an on-site laboratory, and, where permitted by law, a pharmacy dispensing common urgent care medicines.

The Centers operate under the “AMERICAN FAMILY CARE” brand name and use other trademarks, service marks and commercial symbols and trade names that we authorize from time to time (collectively, the “Marks”). The Centers are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, and specifications (collectively, the “System”), none of which govern or directly or indirectly exert control over the practice of medicine or other licensed professions. We may periodically replace, further develop, modify, or discontinue any part of the System.

We offer franchises for the Centers to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate the Centers under the System. To own and operate a Center, you must enter into our current form of franchise agreement, which is attached to this disclosure document as Exhibit A (the “Franchise Agreement”). The Center that you will operate pursuant to a Franchise Agreement is referred to as “your Center.”

We do not require or authorize our franchisees to provide medical services, or exert control over the delivery or supervision of medical services, hire or provide training to licensed health care professionals, or practice medicine in any other manner; however, we require our franchisees to enter into a business support services agreement (the “Business Support Services Agreement”) with a PC. Upon your request, we may provide you with a sample form of Business Support Services Agreement, you are required, with the advice of your own professional advisors, to create the agreement you will sign with your PC and ensure its compliance with applicable local laws. The Business Support Services Agreement must provide that (i) the PC will employ and make available to your Center such number of physicians, nurses, nurse practitioners, X-ray and lab technicians, pharmacists, and other licensed healthcare personnel (collectively, “Licensed Persons”), each of whom may be subject to our prior approval, as are necessary, under our System Standards (defined in Item 8 below), to provide, supervise, and administer Urgent and Primary Care Services that must, under applicable laws, be provided, supervised, and/or administered by licensed healthcare personnel; and (ii) you will provide certain non-medical administrative services to the PC. The final version of the Business Support Services Agreement that you intend to sign and any subsequent modifications to the agreement are subject, in all cases, to our prior written approval. You must provide us with an executed copy of the Business Support Services Agreement within 10 days after its execution but in any event before you commence operations of your Center.

If you determine that, under applicable laws, you are able to own and operate the Center, employ Licensed Persons, provide Urgent and Primary Care Services, and pay royalty and other fees to us and our affiliates in the manner described in the Franchise Agreement, then upon your request, we may, in our discretion, waive the requirement for you enter into a Business Support Services Agreement with a PC.

We may also allow our qualified franchisees who have already signed a Franchise Agreement the ability to enter into an area development agreement (an “Area Development Agreement”) pursuant to which they would agree to acquire additional franchises to open and operate Centers within a mutually agreed upon geographical area and according to a mutually agreed upon schedule. The typical Area Development Agreement would require acquisition of at least three (3) additional franchises. For each additional franchise to be acquired under an Area Development Agreement, you will be required to sign

our then-current form of Franchise Agreement, which may be materially different from the form of Franchise Agreement attached as Exhibit A to this disclosure document. Our current form of Area Development Agreement is attached as Exhibit B to this disclosure document.

We also offer to owners of qualified similar businesses or to persons who acquire qualified similar businesses the opportunity to convert those qualified businesses into Centers (each, a “Conversion Center”). If we authorize you to convert an existing business into a Conversion Center then, when you sign a Franchise Agreement for that business, you will also sign our then-current form of Conversion Addendum which will modify the Franchise Agreement to reflect the requirements for converting the business and operating the business pending the conversion. Our current form of the Conversion Addendum is attached as Exhibit C to this disclosure document.

Industry-Specific Regulations

The medical industry and the provision of Urgent and Primary Care Services are heavily regulated. You are responsible for operating your Center in full compliance with all applicable laws, including those applicable to the operation of businesses generally. These laws may include federal, state and local regulations relating to: the corporate practice of medicine; practice of medicine and the operation and licensing of medical services; the relationship of providers and suppliers of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kickback laws such as the Federal Medicare Anti-Kickback Statute and similar state laws; restrictions or prohibition on fee splitting; physician self-referral restrictions (including the federal “Stark Law” and similar state laws); payment systems for medical benefits available to individuals through insurance and government resources (including Medicare and Medicaid); privacy of personal health information and other data privacy (including the Health Insurance Portability and Accountability Act of 1996, HITECH Act and Omnibus Rule); use of medical devices; prescribing, compounding, marketing, administering, packaging, and sale of medicines and other controlled substances; advertising of medical services; providing other health and human welfare services; medical insurance; and laws and regulations governing Medicare and Medicaid.

You must secure and maintain in force all required licenses, permits, and certificates relating to the development and operation of your Center. You must not employ any person in a position that requires a license unless that person, throughout the employment, is licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all federal, state, and local laws and regulations regarding the management of a business that provides the products and services that your Center provides.

You must also ensure that your relationship with the PC complies with all laws and regulations, and that the PC complies with all laws and regulations and secures and maintains in force all required licenses, permits and certificates relating to the operation of a Center. Each state has medical, nursing, physician assistant, cosmetology, naturopathic, chiropractic, pharmacy, and other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. The laws and regulations generally include requirements for the medical providers to hold required state licenses and registrations to work as (as applicable) medical doctors, nurse practitioners, and physician’s assistants in the state where the Center is located, and to hold required certifications by, or registrations in, any applicable professional association or registry.

If we license you to operate a Center, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification, and if required by law, you must not engage in the practice of medicine, nursing, or any other profession that requires specialized training or certification. The Franchise Agreement will not interfere, affect or limit the independent exercise of

medical judgment by the PC and its medical staff. It will be your responsibility for researching all applicable laws, and we strongly advise that you consult with an attorney and/or contact local, state and federal agencies before signing a Franchise Agreement with us, or a Business Support Services Agreement with a PC, to determine your legal obligations and evaluate the possible effects on your costs and operations.

You should consult with your attorney concerning these and other local laws and ordinances that may affect the operation of your Center.

Competition

The market for urgent and accessible primary care centers is developing and very competitive. The growing needs of the population have increased the demand for urgent care center services. Your Center will compete with other urgent care, health and wellness businesses, franchised and non-franchised, as well as hospitals, emergency rooms, and certain non-Center businesses that we, our affiliates, and our licensees may operate.

ITEM 2 **BUSINESS EXPERIENCE**

All personnel listed below are employed by our affiliate, AFC Holdings, LLC.

Kurt Koptish – President

Mr. Koptish has served as our President since August 2025 and is based in Denver, Colorado. Prior to that he served MIND 24-7 in Scottsdale, Arizona, where he was the Chief Executive Officer from January 2024 to June 2025 and Chief Operating Officer from October 2023 to January 2024. He served at Eating Recovery Center Pathlight in Denver, Colorado, where he was Chief Development Officer from November 2021 to July 2022 and Chief Operating Officer from November 2018 to November 2021. Mr. Koptish was in between positions in July 2025 and was on a sabbatical from August 2022 to September 2023.

Jeremy Morgan – Chief Executive Officer

Mr. Morgan has served as our Chief Executive Officer since January 2025 and is based in ~~Birmingham, Alabama~~ Denver, Colorado. From April 2024 to December 2024, he provided independent consultancy services. From February 2019 to April 2024, he was CEO for WellBiz Brands, Inc. in Denver, Colorado and, until April 2024, also served as CEO of WellBiz Brands' family of franchise offerings: Amazing Lash, beginning October 2021; Radiant Waxing, beginning July 2021; Fitness Together, beginning May 2021; Drybar, beginning February 2021; and Elements Massage, beginning February 2017.

Michael Casey – Chief Development Officer

Mr. Casey has served as our Chief Development Officer since August 2025 and is based in Tampa, Florida. From July 2023 to August 2025, he was the Chief Development Officer at SPB Hospitality in Houston, Texas. He was in between positions in May and June 2023. From December 2018 to April 2023, he served as the Chief Development Officer for Ideal Image, Inc. in Tampa, Florida.

Dan Olivier – Chief Financial Officer

Mr. Olivier has served as our Chief Financial Officer since January 2025 and is based in ~~Birmingham, Alabama~~ Tampa, Florida. From July 2022 to January 2025, he was employed by Ideal Image Development Corp. in Tampa, Florida (Chief Financial Officer from January 2024 to January 2025 and Chief Accounting Officer from July 2022 to January 2024). From May 2019 to July 2022, he was VP Corporate Controller at SmileDirect Club in Nashville, Tennessee.

~~Jason Badyrka – Chief Operations Officer~~

~~Mr. Badyrka has served as our Chief Operations Officer in Birmingham, Alabama, since July 2022 and previously served as our Vice President, Franchise Operations from July 2018 to July 2022.~~
Benjamin Barlow, M.D. – Chief Medical Officer

Dr. Barlow has served as AFCLLC's Chief Medical Officer in Birmingham, Alabama, since September 2024. From October 2022 through August 2024 he was Chief Medical Officer at Experity in Birmingham, Alabama. From June 2022 through September 2022, he was not employed. From June 2018 through May 2022, he was AFCLLC's Chief Medical Officer in Birmingham, Alabama.

Nicole Strothman – Chief Legal Officer

Ms. Strothman has served as our Chief Legal Officer since August 2025 and is based in Heber City, Utah. From December 2023 to the present, she has also served as the Manager and General Counsel of Venture Legal Advisors, PLLC in St. Petersburg, Florida. From September 2005 to December 2023, she was General Counsel, Corporate Secretary, and Compliance Officer for Ideal Image Development Corporation in Tampa, Florida.

Michael Brister – Chief Marketing Officer

Mr. Brister has served as our Chief Marketing Officer since August 2025 in Scarsdale, New York. From August 2024 to July 2025, he was the Senior Vice President of Marketing at European Wax Center in Plano, Texas. From September 2023 to August 2024, he was the Chief Marketing Officer for Body Details in Boca Raton, Florida. From December 2019 to August 2023, he was the Senior Vice President, Consumer & Brand Marketing at Ideal Image in Tampa, Florida.

Adam Landry – Chief Technology Officer

Mr. Landry has served as our Chief Technology Officer since January 2025 in Tampa, Florida. From June 2024 through December 2024, he was an independent consultant. From January 2022 to May 2024, he was Chief Technology Officer at Ideal Image Development Corp. in Tampa, Florida. From April 2015 through January 2022, he was Chief Information Officer at Jackson Hewitt in Jersey City, New Jersey.

Sarah Moses – Vice President of Franchise Operations

Ms. Moses has served as our Vice President of Franchise Operations since May 2025. From June 2022 to May 2025, she was our Director of Franchise Operations. From June 2015 to April 2022, she served Optum Health DBA MedExpress in Pittsburgh, Pennsylvania in various roles, including the Vice President, Senior Director (Operations) Area Manager (Business Operations). Her positions with us are and were out of Boston, Massachusetts. She was in between positions in May 2022.

Justin Buttner – Vice President, Business Development

Mr. Buttner has served as our Vice President of Business Development since June 2025 in Alpharetta Georgia. From April 2022 to May 2025, he was Director of Business Development at GoHealth Urgent Care in Atlanta, Georgia. From November 2021 to April 2022, he served as Strategic Account Executive at Inspirata in Tampa, Florida. From July 2017 to November 2021, he was Oncology Liaison, Business Development at US Oncology in Atlanta, Georgia.

Melissa Norton – Senior Director, Franchise Development

Ms. Norton has served as our Senior Director, Franchise Development since September 2025 in Chesterfield, Massachusetts. Prior to that she was our Director, Conversion from April 2025 to August 2025; Franchise Development Manager from June 2022 to April 2025; Franchise Business Consultant from April 2021 to May 2022. From July 2016 to April 2021, she was the Practice Administrator at Cooley Dickinson in Northampton, Massachusetts.

ITEM 3 LITIGATION

Except for the actions described below, there is no litigation that must be disclosed in this Item.

Pending Actions:

AFC Franchising, LLC v Trovato Medical Group, Inc. and Parmjit M. Singh, MD Circuit Court of Jefferson County, Alabama, Case No. CV-2023-901311, filed April 21, 2023 now moved to US District Court for the Northern District of Alabama (Case No. 2:23-cv-684). We filed this complaint against our former franchisee, Trovato Medical Group, Inc., for injunctive relief to enforce the non-compete covenants against the defendants and prohibit their unauthorized use of the Marks. The defendants removed this case to the US District Court for the Northern District of Alabama, and on June 16, 2023, the defendants filed a counterclaim alleging, among other things, that we engaged in unlawful, unfair or fraudulent business practices and unlawfully restrained the practice of medicine by requiring physicians to execute illegal restrictive covenants to restrict their employment in the State of California. The defendants filed a Suggestion of Bankruptcy on August 9, 2024, which resulted in an automatic stay of these proceedings. A notice of bankruptcy dismissal was then filed on March 3, 2025. No dates for subsequent proceedings have been scheduled in this matter.

Prior Actions:

United States of America ex rel., Anita C. Salters, Plaintiffs vs. American Family Care, Inc., Defendant. United States District Court, Northern District of Alabama, Northeastern Division, Civil Action No. 5:10-CV-2843-IPJ. On October 20, 2010, Relator Anita C. Salters filed a *qui tam* action against AFCLLC (then known as American Family Care, Inc.) to recover statutory damages and civil penalties under the False Claims Act, Stark I and II, and the Anti-Kickback statute on the ground that the defendant allegedly knowingly submitted false and fraudulent patient claims for payment to the federal agencies in connection with the Medicare, Medicaid, etc. The complaint was filed IN CAMERA SEALED, pursuant to 31 U.S.C. §3730(b) and was not served on the defendant. In January of 2014, the United States intervened in civil action with respect to one of the claims and contended that the defendant mis-billed Medicare for certain outpatient office services and therefore received greater reimbursement than that to which it was entitled. The defendant denied that it mis-billed Medicare for any services, violated any statute or discharged anyone improperly.

In March 2014, the United States, through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Resources (collectively the United States) and the defendant entered into a settlement agreement. In the Settlement, the defendant did not admit to any wrongdoing but agreed to pay the United States \$1,200,000 to end the litigation with the United States. The settlement agreement also provided for mutual dismissal of certain rights and preservation of other rights. On March 17, 2014, the court lifted the seal with respect to the plaintiff's complaint and the United States' motions.

The defendant vigorously defended the allegations under the False Claims Act. In ~~June~~July 2017, the ~~plaintiff and the defendant settled the remaining claims pursuant to a confidential~~parties entered into a settlement agreement under which, without admitting any wrongdoing, the defendant paid \$210,000 in exchange for the plaintiff releasing all claims against the defendant and its affiliates and dismissing the complaint. The complaint was dismissed in July 2017.

Lavender Health Care, LLC vs. AFC Franchising, LLC. Circuit Court of Shelby County, Alabama, Case No. CV-2019-900415.00-LMA, filed January 14, 2022. The plaintiff filed its original complaint in the Circuit Court of Manatee County, Florida on February 6, 2019, with regard to Richard Kimsey's master developer agreement with Doctors Express Franchising, LLC which was later assigned to us alleging, among other things that, we wrongfully terminated the plaintiff's master development agreement, and we and our area developer engaged in anticompetitive conduct in order to restrain competition in the plaintiff's territory. This case was settled by the parties on May 30, 2024 and we paid the plaintiff \$1,000,000. Pursuant to the settlement agreement, we and the plaintiff agreed to mutual confidentiality and non-disparagement covenants and released each other and each other related parties of all claims arising from the master development agreement. The case was dismissed with prejudice on June 17, 2024.

Danilo Purugganan v AFC Franchising, LLC. Circuit Court of Shelby County, Alabama, Case No. CV-2020-900226, filed March 6, 2020. We initiated this case to seek declaratory judgment to enforce the forum selection and limited exclusivity clauses in the master developer agreement between Danilo Purugganan ("Purugganan") and Doctors Express Franchising, LLC, which was later assigned to us. Purugganan removed this case to the US District Court for the Northern District of Alabama (Case No. 2:20-cv-456) and filed a counterclaim alleging fraudulent breach of the master developer agreement by us and seeking damages and a declaration that the non-compete covenant in the master developer agreement is not enforceable. Purugganan's motion to dismiss our claim was granted and we appealed this decision to the US Court of Appeals, Eleventh Circuit on August 11, 2022. Purugganan also filed an action in the US District Court the District of Connecticut (Case No: 3:20-cv-360-KAD) alleging breach of master

developer agreement and covenant of good faith and fair dealing and seeking a declaration regarding the proper venue for the dispute, a declaration that the non-compete covenant in the master developer agreement is void and not enforceable, and damages. This case was settled by the parties on September 18, 2024 and we paid Purugganan \$6,500,000. Pursuant to the settlement agreement, we and Purugganan agreed to mutual confidentiality and non-disparagement covenants and released each other and each other related parties of all claims arising from the master development agreement. The case was dismissed with prejudice on September 30, 2024.

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

Initial Franchise Fee - \$45,000 - \$60,000

You must pay us an initial franchise fee (the “Initial Franchise Fee”) of \$60,000. The Initial Franchise Fee is subject to reduction in the following circumstances:

Area Development Agreement: If, when you sign the Franchise Agreement (the “Initial Franchise Agreement”), you also sign an Area Development Agreement to acquire additional Franchises (each an “Additional Franchise”), and provided you remain in compliance with your obligations under the Area Development Agreement, the Initial Franchise Fee for the Initial Franchise Agreement will remain at \$60,000, but for each such Additional Franchise you acquire pursuant to and during the initial term of the Area Development Agreement, the Initial Franchise Fee will be reduced as follows: 1st Additional Franchise, \$50,000; and each subsequent Additional Franchise, \$45,000.

Conversion Center: If, when you sign the Franchise Agreement, you also sign a Conversion Addendum, the Initial Franchise Fee will remain at \$60,000, but if you enter into 2 Franchise Agreements with Conversion Addenda, concurrently, to convert 2 of your businesses into Conversion Centers, the initial franchise fee payable under each of those Franchise Agreements will be reduced to \$45,000. Currently, we grant a credit of \$30,000 per Conversion Center that franchisees can set off against future royalty payments for such Centers. We will determine the exact amount of the contribution after our assessment of how extensive the conversion will be and the amount you are likely to spend to complete the conversion.

In each case, the Initial Franchise Fee is non-refundable, payable on execution of the Franchise Agreement, and uniformly imposed (but we reserve the right to negotiate it in our discretion).

Lease Review Fee - \$0 to \$1,000

If the landlord of your Center requires changes to our standard lease addendum, a copy of which is annexed to the Manual (as defined in Item 8), you must pay us a lease review fee of \$1,000 to offset the expenses we incur to conduct the review. The lease review fee will be payable in a lump sum, will not be refundable, and is uniformly imposed on all franchisees.

Medical Equipment and Supplies - \$0 to \$145,000

AFCLLC and our affiliate, AFCP, sell certain medical equipment and supplies to our franchisees. If you [choose to](#) purchase those equipment and supplies from AFCLLC [and/or](#) AFCP then you will pay [to AFCLLC and/or AFCP, as applicable](#), an amount in the range of \$80,000 - \$145,000 depending on your purchase quantities and delivery location. This amount is paid in a lump sum, is uniformly imposed, and is non-refundable.

Construction Management Services Fee (New Center) - \$50,000

For each of the first two (2) Franchise Agreements you sign, we may, in our discretion, require you to allow us or our designee to provide certain oversight services related to the development of your Center, including, for example, site selection activities, selection and appointment of an architect and general contractor, review of construction bids, supervision of construction, and general oversight of the construction process. If we elect to provide those services you must pay us a fee, under each Franchise Agreement for which we elect to provide the services, in the amount of \$50,000 (the “Construction Management Services Fee”); provided, however, if the services are provided in connection with a Conversion Center, the Construction Management Services Fee will be reduced to \$5,000 to \$10,000 depending on the size and condition of your Conversion Center. The Construction Management Services Fee is for our or our designee’s services and not for any expenses you incur in connection with the development or conversion of your Centers. The Construction Management Services Fee is due and payable, in lump sum, on execution of the applicable Franchise Agreement, is uniformly imposed, and is not refundable.

Grand Opening Spend Requirement - \$35,000 to \$50,000

Within 10 days of signing the approved lease for your Center, you must pay to us \$35,000 in lump sum as a non-refundable grand opening spend fee (the “Grand Opening Spend Requirement”), which is uniformly imposed. If you are purchasing an existing Center, the Grand Opening Spend Requirement will be due no later than 10 days after the date you take possession of your Center. We will use the Grand Opening Spend Requirement to advertise, market, and promote your Center using any suppliers we may designate in accordance with a marketing and recruiting plan that we determine. We also recommend implementing an optional social media program for the initial marketing of your Center, and if you agree to do so then your total Grand Opening Spend Requirement will be up to \$50,000.

Area Development Fee - \$47,500

If, in addition to signing a Franchise Agreement, you sign an Area Development Agreement to acquire Additional Franchises, you must pay us a development fee in an amount equal to \$25,000 for the 1st Additional Franchise, \$22,500 for the 2nd and 3rd Additional Franchises, and \$18,000 for each other Additional Franchise you agree to acquire. We will credit the development fee, in increments equal to the amount of the fee paid for the applicable Additional Franchise, toward payment of the Initial Franchise Fee owed under the applicable Franchise Agreement you sign in satisfaction of the Area Development Agreement. The development fee is payable in a lump sum when you sign the Area Development Agreement, is uniformly imposed, and is not refundable.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty	6% of Net Payments for the preceding week	On the Wednesday immediately following the previous week or such other day of the week that we periodically specify	See Note 2 below for the definition of Net Payments. The royalty is payable to us by an automatic, electronic debit of funds.
Marketing Fee	Currently 1% of Net Payments but may be changed, on notice to you, subject to the Marketing Expenditure Cap. See Note 3.	On the Wednesday immediately following the previous week or such other day of the week that we periodically specify	Payable with and in the same manner as Royalty. We allocate the Marketing Fee to the Marketing Fund (as defined in Item 11).
Local Advertising Requirement	At least \$2,000 per month (not including labor cost), beginning 3 months after your Center's grand opening	Monthly	You are required to spend this amount on local advertising of your Center. If, for any month, you fail to spend the required minimum amount in accordance with our System Standards, then we may require you to pay us, for the benefit of the Marketing Fund, the difference between \$2,000 and the amount you actually spent.
Reimbursement of Cost for Supplying Marketing Materials	Actual Cost of production, plus any related shipping, handling, and storage charges.	As incurred	This amount is payable if we or the Marketing Fund provide you with marketing materials for your Center.
Fee for providing (i) initial training to additional, replacement Operating Principal and Center Administrator(s); and (ii) supplemental or on-going training	\$1,500 per Center Administrator and 750 per Operating Principal and other attendees if the training is conducted at our headquarters. If we send our trainer to your Center, then you will pay \$1,500 per trainer per day, plus the travel and living	Prior to attending training	We do not charge any fee for providing initial training to you, your initial Operating Principal (as defined in Item 15), and your initial Center Administrator (as defined in Item 15), but we may charge a fee for providing initial training to any replacement personnel and for providing any additional training to you, your Operating Principals, Center Administrators, and other attendees.

Type of Fee ^(Note 1)	Amount	Due Date	Remarks
	expenses incurred by the trainers in providing training at your Center.		
Fee for additional opening assistance	\$1,500 per trainer per day, plus the travel and living expenses incurred by the trainers in providing such assistance to you.	As incurred	This amount is payable if, in our discretion, we provide opening assistance in addition to the opening assistance that we are required to provide under the Franchise Agreement.
Conference Registration Fee	\$775 to \$1,500 per person and subject to increase depending on the third-party costs we incur.	As incurred	This is a per-conference per-person fee to attend training and franchisee conferences. We may require your Operating Principals and Center Administrators to attend any such conference.
Successor Franchise Fee	\$5,000 or 10% of the then-current Initial Franchise Fee, whichever is higher.	Upon renewal	
Transfer Fee (Franchise Agreement)	The higher of \$10,000 or 10% of the then-current Initial Franchise Fee if the transfer is not facilitated by us or our agents; or the higher of \$25,000 or 10% of the then-current Initial Franchise Fee if the transfer is facilitated by us or our agents.	At time of transfer	The transfer fee will be waived for transfer of the franchise agreement to an entity in which you own 100% of the ownership interest and any transfer arising from your death or disability.
Transfer Fee (Area Development Agreement)	\$25,000	At time of transfer	
Interest on Overdue Amounts	Lesser of 1.5% per month or the highest commercial contract interest rate permitted by law.	Upon demand	Accrues on all past-due amounts until paid.
Audit Costs	Costs of the examination	Upon demand	Payable only if an audit is necessary due to your failure to timely furnish reports, supporting records, or other information as required under the Franchise Agreement or if our audit reveals that you understated Net Payments by 5% or more for the period examined.
Indemnification	Varies	Upon demand	You will defend, indemnify, and hold harmless us and our related parties against any third-party claims arising

Type of Fee ^(Note 1)	Amount	Due Date	Remarks
			out of the operation of your Center, the business you conduct pursuant to the Franchise Agreement, Business Support Services Agreement, or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Actual Cost	Upon demand	Reimbursement of the costs and expenses that we and our related parties incur due to your failure to pay amounts owed to us, to submit any reports, information, or supporting records, or otherwise to comply with the Franchise Agreement, and reimbursement of costs and expenses that we may be awarded if we are the prevailing party in any litigation or arbitration.
Insurance Costs	Varies. The actual cost of obtaining insurance on your behalf plus an administrative fee of 10% of the amount of the premiums.	Upon demand	If you fail or refuse to obtain and maintain the insurance we specify, we may obtain the insurance on your behalf, and you must reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.
Reimbursement of Cost Associated Data Extraction	The actual amount that we pay to the vendor.	On Demand	Payable if we make a data extraction request to the EMR provider for your Center.
Annual Training Fee (certain required software)	\$2,400 per Center	On Demand	For use of MedTrainer and UpToDate software programs.
Reimbursement of Costs	Varies	As incurred	Unless otherwise mentioned in the Franchise Agreement, you must reimburse us for all costs that we may incur on your behalf.
Technology Fee	Currently, \$275 per month but subject to increase to not more than 1% of the Center's Net Payments.	Monthly	We charge you a recurring technology fee for certain technology services that we or our affiliates provide to you or, at our discretion, make available to you through third parties.
ASP Hosting Fee	Our actual cost	As incurred	Payable if we retain a third-party provider, or an Applications Service Provider ("ASP") or a Managed Services Provider ("MSP") to provide some or all of the computer and network service for the Centers.
Lost Revenue Damages	Will vary. See Remarks column for the formula for	Payable within 15 days of	Payable if we terminate the Franchise Agreement for your breach or you

Type of Fee ^(Note 1)	Amount	Due Date	Remarks
	calculating the Lost Revenue Damages.	termination of Franchise Agreement	terminate it without cause. Lost Revenue Damages are calculated by multiplying (1) the greater of 36 months or the number of months remaining on the term of the Franchise Agreement, by (2) the highest monthly Royalty and Marketing Fund payments owed during the 36 full calendar months (or, if your Center has not been operating for 36 months, the highest average Royalty and Marketing Fund payments owed by any Center in the System during the 36 full calendar months) immediately preceding the earlier of the date on which your Center operated in compliance with the Franchise Agreement.

Notes:

1. All fees are imposed by and are payable to us, except as specified for the fees payable to our affiliates and your local advertising expenditures. All fees are uniformly imposed in our discretion, unless we agree to negotiate them.
2. “Net Payments” means all revenue that you actually collect and receive from operating the Center, regardless of the form of such revenue or whether or not derived in compliance with the Franchise Agreement, including all revenue received from the PC and/or pursuant to the Business Support Services Agreement, all services and products sold by you in connection with the operation of the Center, all amounts that you receive at the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. In the event the PC fails to pay you any revenues that it is obligated to pay you under the Business Support Services Agreement, the amounts that it fails to pay you shall nonetheless be included in the calculation of Net Payments.
3. We cannot require that the percentage of Net Payments you are required to pay as marketing fee and the amounts you spend on Local Advertising Requirement (collectively, the “Required Marketing”) exceed, in the aggregate, five percent (5%) of the Center’s Net Payments (the “Marketing Expenditure Cap”); provided, however, it is your responsibility to provide us with written notice if the Required Marketing exceeds the Marketing Expenditure Cap, and until we receive your written notice (the “Marketing Notice”), you will fully comply with the Required Marketing requirements, and no excess amounts will be refunded to you. If the Required Marketing exceeds the Marketing Expenditure Cap, you may, after we receive your Marketing Notice, reduce the Local Advertising Requirement, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. You must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ⁽¹⁾	\$60,000	Lump sum	On execution of Franchise Agreement	Us
Travel and Living Expenses While Training ⁽²⁾	\$1,500 - \$3,000	As incurred, via cash or credit	During training	Third-Party Suppliers
Lease, Utility and Security Deposits ⁽³⁾	\$6,000 - \$10,000	As incurred, via cash or credit	When you sign your lease, or start up an account with utility company	Landlord, Utilities
Lease Review Fee ⁽⁴⁾	\$0 - \$1,000	Lum sum	As incurred	Us
Medical Equipment & Supplies ⁽⁵⁾	\$110,000 - \$175,000	As incurred, via cash or credit	As incurred	Our Affiliates (AFCLLC and/or AFCP, as applicable) and Third-Party Suppliers
Construction Management Services Fee ⁽⁶⁾	\$50,000	ACH or Wire Transfer	On execution of Franchise Agreement	Us
Construction ⁽⁷⁾	\$425,500-\$478,000	As incurred	When ordered	Third-Party Suppliers
Furniture, Fixtures, and Appliances ⁽⁸⁾	\$10,000 - \$17,000	As incurred	When ordered	Third-Party Suppliers
Office Equipment & Computer System ⁽⁹⁾	\$12,000 - \$40,000	As incurred	When ordered	Third-Party Suppliers
Grand Opening Spend Requirement	\$35,000 - \$50,000	As incurred	As incurred	~~Third-Party Suppliers~~ Us
Business License & Permits ⁽¹⁰⁾	\$500 - \$2,500	As incurred	As incurred	Third Parties
Signage	\$8,000 - \$30,000	As incurred	As incurred	Third-Party Suppliers
Legal/ Professional Fees ⁽¹¹⁾	\$15,000 - \$25,000	As incurred	As incurred	Third Parties
Insurance ⁽¹²⁾	\$14,500 - \$21,000	As incurred	Before opening	Third Parties
Recruitment ⁽¹³⁾	\$3,000 - \$50,000	As incurred	As incurred	Third Parties

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Credentialing ⁽⁴⁴¹³⁾	\$4,500 - \$7,000	As incurred	As incurred	Third-Parties
Additional Funds (3 months) ⁽⁴⁵¹⁴⁾	\$200,000 - \$500,000	As incurred	As incurred	Employees and Third-Party Suppliers
Total ⁽⁴⁶¹⁵⁾	\$955,500 - \$1,519,500			

Notes to Table A:

All amounts payable to us or our affiliates are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any.

- (1) **Initial Franchise Fee.** The Initial Franchise Fee is \$60,000 and is paid when you sign the Franchise Agreement for the development of one new Center. The Initial Franchise Fee will be reduced as follows: (i) \$50,000 for the 1st Additional Franchise and \$45,000 for each subsequent Additional Franchise you acquire pursuant to an Area Development Agreement, and (ii) \$45,000 per Center if you enter into 2 Franchise Agreements with Conversion Addenda, concurrently, to convert 2 of your businesses into Conversion Centers.
- (2) **Travel and Living Expenses While Training.** You will be responsible for all costs that you (or your Operating Principal) and all of your trainees incur while attending the training, including all travel, food, and lodging cost, wages, insurance costs, etc. These costs will depend on the distance you must travel and the type of accommodations you choose. The initial training program is held at our offices in Birmingham, Alabama, or at a training facility we designate. The low estimate assumes that you live within driving distance of our headquarters or the designated training facility.
- (3) **Lease; Utility and Security Deposits.** We expect that you will need approximately 1,750 to 2,000 square feet for your Center. Rent varies considerably from market to market, and from location to location. Rents may vary beyond the range that we have provided based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the leasehold, the terms of the lease, the location within a site (such as an endcap), and the desirability of the location. You should investigate the typical leasing costs for your target market area. If you decide to buy the property where you will operate your Center, your costs will be substantially higher and cannot be estimated.
- (4) **Lease Review Fee.** If the landlord of your Center requires changes to our standard lease addendum, then you must pay us a lease review fee of \$1,000 to offset the expenses we incur to conduct the review (see Item 5).
- (5) **Medical Equipment & Supplies.** You will need to purchase or lease medical equipment and supplies such as stethoscopes, blood pressure cuffs, thermometers, pulse oximeters, otoscope, ophthalmoscope, X-ray machines, exam tables, medical tape, band aids, gauze pads, etc. for your Center. This range also includes \$80,000 to \$145,000 ~~to that you may pay to our affiliates, AFCLLC and/or AFCP, if you~~ purchase medical equipment and supplies from ~~our affiliates~~ them (see Item 5). The above range reflects the cost of purchasing the medical equipment and supplies. You may decide to lease some of the medical equipment rather than purchasing it with an upfront

payment. A variety of factors such as the condition of the national and regional economy, availability of credit, number of suppliers leasing equipment in your area, interest rates being offered, duration of leases offered, security requirements, and your credit history may affect the availability of leased equipment; the monthly and overall costs of the leases and other terms may be relevant to your decision as to whether to purchase or lease the equipment.

- (6) Construction Management Services Fee. Payable ~~for services~~ if we choose to provide services in connection with overseeing and managing the development and construction of your first two Centers (see Item 5).
- (7) Construction. You must develop your Center in compliance with law and our standards and specifications for architectural design, layout, furnishings, fixtures, equipment, and decor as outlined in the Manual or otherwise conveyed to you. The design, construction management, build out and related costs depend on a number of factors, including the size and condition of the premises. Our estimate (i) assumes that the premises for your Center will have a “vanilla box” layout, including all walls, fixtures, flooring, HVAC and utilities, plumbing for bathrooms and exam rooms, certain equipment and an office area, and (ii) is for a Center that ranges from 1,750 - 2,000 square feet in size and will have 4 to 5 exam rooms. This estimate includes the use of a general contractor. The cost of comprehensive design, construction management and build-out construction costs is approximately \$210 per square foot.
- (8) Furniture, Fixtures, and Appliances. You will need to purchase furniture, fixtures, and appliances that meet our standards and specifications.
- (9) Office Equipment & Computer System. You will need to purchase office equipment and computer system for the operation of your Center. This estimate also includes a one-time fee for implementation, training, hardware configuration and server configuration for the electronic medical/patient record (“EMR”) services program that you must obtain from our designated vendor.
- (10) Business Licenses. You will be required to obtain a business license or permit before you can open your Center. You will be responsible for ensuring that the PC has, and certifies to you that it has received, all required state and local government certifications, permits and licenses necessary for the operation of a Center, including any required licenses and certifications for its personnel. The estimates in the chart do not include the costs that the PC may incur to obtain the necessary licenses and certifications.
- ~~(11) Legal/Professional Fees. We believe that it is important for you to consult with your own accountant, attorney, risk management and/or business advisor before making any decision to enter into a Franchise Agreement with us. You should also use an attorney or other business advisor to review any lease, Business Support Services Agreement, or other agreements that you enter into in connection with your Center.~~
- (11) ~~(12)~~ Insurance. This is an estimate of your initial insurance premiums for comprehensive general liability insurance coverage, including property damage at your Center, malpractice liability coverage, and business interruption coverage to cover expenses for a period of at least 365 days. You also must maintain workers’ compensation insurance for your employees in accordance with laws applicable in the state in which your Center is operated. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier and other factors. We have an approved vendor who can help you secure this insurance in any state in the US.

- (12) ~~(13)~~ **Recruitment.** This is an estimate for recruitment cost that you may incur in connection with hiring the necessary staff for your Center. The high end of the costs shown includes an estimate for those franchisees that need or choose to retain a recruiter to find the required staff.
- (13) ~~(14)~~ **Credentialing.** You will be required to use the vendor(s) that we designate or approve for credentialing of your Center. The permitting requirements in certain states do not permit credentialing to occur before opening and require that the Center begin operations before the credentialing process may begin. This type of restriction may substantially affect a business, including causing delays in the credentialing and contracting process, which may negatively affect your Center's ability to obtain reimbursements (or lead to a lower reimbursement rate), and negotiate contracts and generate revenues until the credentialing is completed.
- (14) ~~(15)~~ **Additional Funds.** This is an estimate for the additional funds needed to cover other operating expenses of your Center during the first 3 months after you open, net of operating revenue estimated to be generated by the operation of your Center during that period. The estimate includes items such medical billing services (i.e., billing and collecting payments for services provided at the Center, EMR services, payroll and payroll taxes (including payroll to cover the pre-opening training period for some of your Center staff), Royalty fees, Marketing Fee, additional advertising, rent, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax and license fees, deposits and prepaid expenses (if applicable) and other miscellaneous items.
- (15) ~~(16)~~ **Total.** In compiling these estimates, we have relied on the experience and data collected from our franchisees, vendors, and other sources. The estimated initial investment shown above to open a new Center does not include any finance charges, interest, or debt service obligations. We do not finance any part of these costs. If your Center is a Conversion Center, we anticipate that your estimated initial investment will be lower than the range described above, as you may not need to incur all of the expenses listed above, or they may not be at the same levels described.

B. Area Development Agreement (Additional Franchises)

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Development Fee ⁽¹⁾	\$47,500	Lump Sum	Upon Signing Area Development Agreement	Us
Total	\$47,500			

Note to Table B:

- (1) The amount assumes you agree to purchase two (2) Additional Franchises and enter into two (2) additional Franchise Agreements, in addition to the existing Franchise Agreement you executed prior to the execution of the Area Development Agreement. This is our typical minimum requirement to enter into an Area Development Agreement. If you and we agree that you will acquire more than two (2) Additional Franchises, your development fee would increase by \$22,500 for the third (3rd) Additional Franchise and \$18,000 for each Additional Franchise in excess of three. There is no other investment necessary to execute an Area Development Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the highest degree of quality and service is maintained, you must develop and operate your Center in accordance with our specifications, standards, operating procedures, and rules that we specify from time to time (“System Standards”). However, our System Standards and any assistance provided by us or our affiliates in connection with the development and operation of the Centers are intended to (i) relate to the performance of activities that are not regulated by any applicable laws governing provision of Urgent and Primary Care Services; (ii) not constitute the practice of medicine or the performance of Urgent and Primary Care Services, and (iii) not amount to us or our affiliates exerting control over the delivery or supervision of Urgent and Primary Care Services.

Operating Assets; Approval of Products and Suppliers

We have developed and may update System Standards that among other things govern the models and brands of all required fixtures, furniture, Computer System and other equipment (including medical and diagnostic equipment, fax machines, point-of-sale system and other technology systems), furnishings, signs, and certain other goods and services (collectively, “Operating Assets”). We will furnish these System Standards to you in our manual (the “Manual”) or otherwise in writing; however, we will not issue to you or to any approved suppliers (except as we deem necessary) the specifications for proprietary Operating Assets, if any.

Except where we are prohibited from doing so under applicable laws in the state in which your Center is located, we have the right to require you to purchase any and all items or services used in the development and operation of your Center from a supplier that we approve (each an “Approved Supplier”), which may include or be limited to us or our affiliates. We may also, in our discretion, designate certain Approved Suppliers as the sole source of certain items or services used at the Center (each a “Designated Supplier”). We will provide you with a list of our Approved Suppliers and Designated Suppliers, in writing, and we may update or modify this list as we deem appropriate. When evaluating and approving suppliers, we consider a variety of factors. Our criteria for approving suppliers, however, is fluid (but which is, generally, the ability to satisfy our quality standards and controls) and is not provided to franchisees. ~~We~~Currently, we do not have a process whereby franchisees can seek approval of alternatives to our Approved Suppliers.

Currently, we do not sell any products or services to our franchisees. AFCLLC is an Approved Supplier for the following services: the construction oversight services, supplies and equipment (including vaccinations), laboratory consulting, credentialing, new clinic set-up, and a weight-loss program and products. Our affiliate, AFCP, is an Approved Supplier of certain medical supplies and equipment, and is an Approved Supplier of other products to our franchisees.

We have other Approved Suppliers for the following products and services: certain medical equipment and supplies (including vaccinations), billing and claim management, center prototype and construction management, malpractice insurance, online patient feedback, certain computer software, occupational health training and certification services, credentialing services, electronic medical/patient (EMR) record services, patient registration and engagement platforms, pharmacy dispensary point-of-sale services (if a pharmacy is permitted in your state), and a weight-loss program and products. We estimate that your purchases or leases from approved and required suppliers or in accordance with our

specifications will represent approximately 75% - 95% of your total purchases in establishing or operating your Center.

We and our affiliates may receive allowances, marketing allowances, rebates, credits, monies, payments, benefits and other consideration (collectively, "Allowances") from third-party suppliers based upon your purchases of products and other goods and services, and we may freely use such Allowances without restriction (unless otherwise instructed by the supplier). Currently, we and/or AFCLLC receive the following Allowances: (i) 5% to 40% of revenue received by our Designated Suppliers for medical equipment and supplies based on the volume of franchisee purchases; and (ii) rebate of \$250 per order from our signage vendor.

We may negotiate purchase arrangements (including price terms) with some suppliers of approved products for the benefit of our franchisees. Currently, we have no purchasing cooperatives and do not require our franchisees to participate in any purchasing or distribution cooperatives; however, in the future, we may require them to do so. None of our officers own interests in any third-party suppliers

In the fiscal year 2024 (i) we did not derive any revenue from direct sale of goods and services to our franchisees, but we received Allowances amounting to \$37,731 (0.1% of our total revenue) from third party vendors based on franchisee purchases of required goods and services from them; and (ii) AFCP generated revenue of \$2,668,301 from direct sale of goods and services to our franchisees, and received Allowances amounting to \$1,290,158 from third party vendors based on franchisee purchases of required goods and services from them.

We do not provide any material benefits to you based on your purchase of goods and service from Approved Suppliers or Designated Suppliers.

Insurance

You must maintain in force at your sole expense comprehensive general liability insurance coverage and malpractice liability insurance coverage in connection with the Center's operation, all containing the minimum liability coverage we prescribe from time to time. The current requirements for insurance policies and coverage is as follows: (1) comprehensive general liability insurance coverage, including property damage at your Center with limits of at least \$1 million per occurrence and \$3 million aggregate; (2) malpractice liability coverage with limits of at least \$1 million per occurrence and \$3 million aggregate; and (3) business interruption coverage to cover expenses for a period of at least 365 days. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which your Center is operated.

Additionally, you must arrange for the PC to obtain and maintain professional liability coverage with limits of at least \$1 million each incident and \$3 million aggregate for itself and naming you and us as additional insured, and such other insurance we specify in the Manual.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

These insurance policies must name us as an additional named insured and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You must routinely furnish us copies of your certificates of insurance or other evidence of your maintaining this

insurance coverage and payment of premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain comparable insurance on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

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 agreement	Disclosure document item
a. Site selection and acquisition/lease	Section 2.1 of the Franchise Agreement; Site Selection Addendum; Section I and IV of Area Development Agreement.	7, 8, 11 & 12
b. Pre-opening purchases/leases	Sections 2.2, 2.3 and 2.4 of the Franchise Agreement	5, 7, 8 & 11
c. Site development and other pre-opening requirements	Sections 2.2, 2.3, and 8 of the Franchise Agreement; Site Selection Addendum; Conversion Addendum; Section III of the Area Development Agreement	7, 8, 11 & 12
d. Initial and ongoing training	Section 4 of the Franchise Agreement	6 & 11
e. Opening	Definitions, Sections 2.5 of Franchise Agreement; Conversion Addendum; Section III of the Area Development Agreement	11
f. Fees	Section 3, 9.2, 9.4, 9.5, 12.3, 15.7, and 17.3 of the Franchise Agreement; Conversion Addendum; Section II of the Area Development Agreement	5, 6 & 7
g. Compliance with standards and policies/operating manual	Sections 3.6, 4.4, 5.2, 8, and 9.7 of the Franchise Agreement; Conversion Addendum	8, 11 & 14
h. Trademarks and proprietary information	Sections 5, 6, and 15.2 of the Franchise Agreement	13 & 14
i. Restrictions on products/services offered	Section 8 of the Franchise Agreement	8 & 16
j. Warranty and customer service requirements	Section 8 of the Franchise Agreement	16
k. Territorial development and sales quotas	Not applicable in Franchise Agreement; Section III of Area Development Agreement	12
l. Ongoing product/service purchases	Section 2.3 and 8.3 of the Franchise Agreement	8

Obligation	Section in agreement	Disclosure document item
m. Maintenance, appearance and remodeling requirements	Sections 8.1 and 8.7 of the Franchise Agreement	8 & 11
n. Insurance	Sections 2.5, 8.4, and 8.6 of the Franchise Agreement	6, 7 & 8
o. Advertising	Section 8. and 9 of the Franchise Agreement	5, 6, 7, 8 & 11
p. Indemnification	Section 5.5, 16.4, and 17.2 of the Franchise Agreement; Section VIII of Area Development Agreement	6
q. Owner's participation/management/staffing	Section 8.5 of the Franchise Agreement	15
r. Records and reports	Sections 3.2 and 10 of the Franchise Agreement	6 & 11
s. Inspections and audits	Section 11 of the Franchise Agreement	6, 8 & 11
t. Transfer	Section 12 of the Franchise Agreement; Section VI of Area Development Agreement	6 & 17
u. Renewal	Section 13 of the Franchise Agreement	6 & 17
v. Post-termination obligations	Section 15 of the Franchise Agreement	17
w. Non-competition covenants	Definitions, Sections 1.4, 7, 12.3, and 15.4 of the Franchise Agreement	17
x. Dispute resolution	Section 17 of the Franchise Agreement; Exhibit E to Franchise Agreement; Section XII of Area Development Agreement; and Exhibit B to Area Development Agreement	17
y. Taxes/permits	Sections 2.2, 2.5, 3.7, 8.4, 14.3 and 16.3 of the Franchise Agreement	1
z. Other (personal guaranty)	Section 1.6(e) of the Franchise Agreement and Exhibit E; Section XIII and Exhibit B of the Area Development Agreement	15

ITEM 10 **FINANCING**

Neither we nor our affiliates offer financing of the initial fee, site acquisition, construction, remodeling, fixtures, opening or ongoing inventory or supplies. We do not guarantee your notes, leases or obligations.

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

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

Our Pre-opening Obligations – Franchise Agreement

Before you open your Center, we will provide you the following assistance:

(1) We will review and either approve or reject the proposed sites for your Center based on our then-current criteria; however, (i) we do not generally own the premises and lease it to our franchisees; and (ii) it is entirely your responsibility to find a suitable site for your Center that is acceptable to us. (Franchise Agreement, Section 2.1)

(2) We will give you mandatory and suggested specifications and layouts for the Center, including recommended office size and design and required or recommended fixtures, equipment, and signs. We will provide guidance to assist you in working with designated contractors and suppliers to complete the development and build out of your Center. This includes providing guidance on: obtaining site plans and modifications to our basic architectural plans and specifications for the Center; obtaining required zoning changes, building and sign permits; and arranging for installation and delivery of equipment, fixtures, furniture and signs meeting our specifications that you must buy or lease. (Franchise Agreement, Section 2.2)

(3) We will provide you with an email address for the Center. (Franchise Agreement, Section 2.4)

(4) We will provide an initial training program for you or your Operating Principal and your required attendees. (Franchise Agreement, Section 4.1)

(5) We will provide you with an Opening Consultant for your Center. (Franchise Agreement, Section 4.3)

(6) We will, at our own cost, send one of our representatives to the Center for a period of 3 days to assist with the preopening and opening of the Center. This period may overlap with the opening and may extend into the first week of operations. (Franchise Agreement, Section 4.1)

(7) We will provide you access to our Manual, which may include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Center. (Franchise Agreement, Section 4.4)

(8) We will work with you to develop an advertising and marketing plan for your Center. (Franchise Agreement, Section 9.3)

(9) We will provide certain construction management services during the development of your first two (2) Centers. (Franchise Agreement, Section 3.6)

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Center. Also, if you are a Conversion Franchisee, we will not provide you with the assistance and services described in paragraph 1 above.

Our Continuing Obligations – Franchise Agreement

We are required by the Franchise Agreement to provide certain assistance and service to you during the operation of your Center:

(1) We will provide ongoing training, conferences and seminars for you or your Operating Principal and certain employees at a reasonable charge. (Franchise Agreement, Section 4.2)

(2) We will advise you regarding the Center's operation based on your reports to us and/or our direct or indirect observations, and we will provide guidance to you concerning: (1) standards, specifications, and operating procedures and methods regarding the operations of the Center; (2) advertising and marketing materials and programs; (3) employee training and recruiting programs; and (4) administrative, bookkeeping, and accounting procedures. (Franchise Agreement, Section 4.3)

(3) We will provide guidance in our Manual, in bulletins or other written materials and/or by electronic media. (Franchise Agreement, Section 4.3)

(4) We will assign you a Business Consultant who will provide you with ongoing assistance and advice by telephone consultation and/or at our location or the Center. (Franchise Agreement, Section 4.3)

(5) We or our affiliate will administer and account for the Marketing Fund under the Franchise Agreement. (Franchise Agreement, Section 9.2)

(6) We will approve your advertising, marketing, and promotional plans, (except with respect to prices to be charged by you). (Franchise Agreement, Section 9.6)

We may provide additional or remedial training to your Required Trainees or other persons as we deem fit (Franchise Agreement, Sections 4.2 and 4.3).

Our Pre-Opening Obligations – Area Development Agreement.

After you sign an Area Development Agreement, but before you open a Center, we will review and approve/reject sites proposed by you for all Centers to be developed pursuant to the Area Development Agreement and designate a protected area (if any) for the approved site using our then-current standards and issue you a Franchise Agreement. If we approve a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. (Area Development Agreement, Section I.G).

Our Post-Opening Obligations – Area Development Agreement.

We are not obligated to provide any post-opening assistance under the Area Development Agreement.

Time to Open

We will use reasonable efforts to approve or disapprove the proposed site within 30 days after your request for our approval. We and our approved vendors will provide the assistance described above, but you are responsible for securing (either by leasing or purchasing the location) an approved site within 270 days of signing the Franchise Agreement. Upon our approval of a site and after you secure the site, we will insert its address into the Franchise Agreement as the Premises.

You must complete all preparations and open the Center within the earlier of (a) 90 days of securing the approved premises for the Center, or (b) 365 days of signing the Franchise Agreement. If you fail to do so, you will be in default, and we may terminate your Franchise Agreement. The typical length of time between signing the Franchise Agreement and commencing business is usually 6 to 12 months. Things that may affect the amount of time it takes you to commence your business are lease negotiations, securing financing, obtaining building permits, zoning and local ordinance compliance, weather conditions, shortages, delayed installations of equipment, fixtures, signs, and the time involved in securing required health care credentialing, and recruiting a physician.

Training

We will conduct an initial training program for you, your Operating Principal, and/or your Center Administrator which will address the material aspects of operating a Center that develops and manages a Center. We will provide the initial training program at our headquarters or at a designated training facility of our choice, and we typically conduct training on a quarterly basis. At this time, we conduct the initial training program at our office in Birmingham, Alabama.

We will provide the initial training, at no charge, for your initial required attendees. In addition, if we have space available in a regularly scheduled training class, you may bring other of your employees to the training class at no additional charge. You must pay for all travel and living expenses which you (or your Operating Principal) and all of your employees incur and for your employees' wages and workers' compensation insurance while they are training.

You (or your Operating Principal) must satisfactorily complete initial training. We will determine whether you (or your Operating Principal) complete initial training to our satisfaction. Our current criteria for satisfactory completion of training includes attendance at all training classes, passing all interim and final tests and exams, and/or demonstrating the capability and willingness to comply with System Standards. If you (or your Operating Principal) fail to complete the initial training to our satisfaction, then you may repeat the course or send a substitute to complete the next available training program. We reserve the right to charge you for substitute personnel that attend the next training program.

You must employ a Center Administrator before you open for business. Although this is not a recommended practice for the first year of operation, you or your Operating Principal may act as the Center Administrator for your Center. We may conduct training for your Center Administrator(s) and other personnel within 6 months of your Opening Date and annually thereafter (some or all of which may include on-line training programs). The intent of this training is to support qualified personnel in the basic knowledge of successfully managing an urgent care clinic. At this time, the training that we require for Center Administrators is done at our office in Birmingham, Alabama, or on-line, and training subjects may include customer service, office and staff scheduling, supply ordering, front desk operations, back-office operations, and file maintenance and security issues. In determining whether to require initial training and what training may be needed, we will consider various factors, including the background and experience of the Center Administrator, including any experience managing an office.

You must also employ one (1) person in a full-time and paid position devoted to marketing and promoting the Center (a "Marketing Representative"). Your Marketing Representative must be sufficiently qualified and capable of performing the job functions and duties that we specify in our System Standards for the Marketing Representative. You must hire your Marketing Representative no later than 30 days before beginning operations of your Center. We may conduct training for your Marketing Representative and other qualified personnel online, on a quarterly basis.

All management personnel, including your Operating Principal and Center Administrator, and any other personnel that we designate, must meet minimum qualifications that we may specify before they can manage Center or train other personnel.

In addition, all management personnel and other personnel working at your Center must satisfactorily complete all state and local government required training and must meet all required licensing, certification and professional regulatory requirements and maintain them on an annual basis.

If you request and we agree to provide additional or special guidance, assistance, or training during this opening phase, you must pay our then applicable charges, including our personnel per diem charges and travel and living expenses.

The following chart outlines our initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy of American Family Care	.5	0	Birmingham, AL
Outpatient Healthcare Industry Overview	.5	0	Birmingham, AL
American Family Care Franchise Business Model	.5	0	Birmingham, AL
Pre-Opening Procedures	6	30	Birmingham, AL
Personnel	2	0	Birmingham, AL
Operations	6	24	Birmingham, AL
Administration	2	24	Birmingham, AL
Marketing	3	0	Birmingham, AL
Totals	20.5	78	

The instructional materials for our training program include the Manual. The hours given for each subject in the table above reflect the average expected durations. The actual time spent for each session may vary depending on a trainee's position, prior experience and performance during the program. Our classroom training program is conducted at our offices in Birmingham, Alabama.

Our training program is conducted by Stephanie Hartline, who has four (4) years of experience in the subjects taught and eleven (11) years of experience with us or our affiliates.

You (or your Operating Principal) and/or other previously trained and experienced Center Administrators, Marketing Representatives and employees must attend and satisfactorily complete various training courses that we provide at the times and locations that we designate, as well as conventions, regional meetings, and conferences that we specify. Currently, we require all franchisees (or

their Operating Principal) to attend regional or annual conferences and meetings that we develop. We may charge reasonable registration or similar fees for these courses. You must pay all travel and lodging costs to attend. To the extent we decide to offer, or require that you attend, any additional training courses or attend conventions or meetings in the future, we will develop and determine the cost, location, content, duration, and frequency of those programs at that time.

Your replacement Center Administrators (if applicable and if any) must satisfactorily complete our Center Administrator training program at our office in Birmingham, Alabama, or online, within 90 days after being hired or designated as Center Administrators. You must pay all travel and living expenses which you and your employees incur during all training courses and programs.

The annual cost of ongoing training resources is currently \$2,400 per Center which will be deducted on demand from your account. Refresher training is offered at a current cost of \$1,000 per day/per trainer, plus all travel and lodging costs for each trainer. Refresher training is available to franchisees who have been operational for 12 months or more.

Any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and/or modify.

Marketing

Other than administering the Marketing Fund, we have no obligation to advertise the American Family Care brand or the Centers. However, if we choose to advertise the American Family Care brand or the Centers, we may (i) use any form of media with local, regional, or national coverage, and (ii) create such marketing materials in-house or outsource this task to an outside advertising agency. We have no obligation to spend any amount on advertising the American Family Care brand or the Centers in the area or territory where your Center is located.

The Marketing Fund

We have established a marketing fund (the “Marketing Fund”) for the enhancement and protection of the American Family Care brand. While we may change this structure in the future, contributions to the Marketing Fund are currently deposited into a bank, commercial account or savings account separate and apart from our general operating funds and are controlled and administered by us or our designee.

We will have sole discretion to use the Marketing Fund and monies in the Marketing Fund, for any purpose that we designate that we believe will enhance and protect the American Family Care brand and Marks, will improve and increase public recognition and perception of the American Family Care brand, the Marks, and the Centers. Among the programs, concepts, and expenditures for which we may utilize the Marketing Fund monies are (but are not limited to) the following: creative development and production of print ads, commercials, radio spots, direct mail pieces, door hangers, and other advertising and promotional materials; creative development of, preparing, producing, and placing video, audio, and written materials and electronic media; media placement and buying, including all associated expenses and fees; administering, and/or allocating monies of the Marketing Fund to be used in, regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys, the creative development of, and actual production associated with, promotions, public relation events, and charitable or nonprofit events; creative development of signage and posters; employee recognition and awards events and programs; periodic national and regional conventions and meetings; Website, extranet and/or intranet development, implementation, and maintenance; retention and payment of

advertising and promotional agencies and other outside advisors including retainer and management fees; public relations and community involvement activities and programs; and repayment of loans (including interest and fees) made by the Marketing Fund to fund programs. We will direct all programs that funded by the Marketing Fund with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

We will contribute the marketing fee that we collect from you (currently equal to 1% of your Net Payments) to the Marketing Fund. The amount of marketing fee may change, on notice to you, but the required contribution, together with the local required advertising requirement described below, will be subject to an aggregate Marketing Expenditure Cap of five percent (5%) of your Center's Net Payments; provided, however, it is your responsibility to provide us with written notice if the Required Marketing for your Center exceeds the Marketing Expenditure Cap, and until we receive your Marketing Notice, you will be required to fully comply with the Required Marketing requirements, and no excess amounts will be refunded to you. If the Required Marketing exceeds the Marketing Expenditure Cap, you may, after we receive your Marketing Notice, reduce the Local Advertising Requirement, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. You must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded.

The Centers owned by us or our affiliates are not required to, and do not currently, contribute to the Marketing Fund.

The Marketing Fund periodically will provide you with samples of advertising, marketing, and promotional formats and materials at no cost. We may sell you copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Marketing Fund separately from our other funds and monies and not use the Marketing Fund for any of our general operating expenses. However, we may use the Marketing Fund to pay administrative costs of the Marketing Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Marketing Fund, and we may use the Marketing Fund to pay the reasonable salaries and benefits of personnel (including our personnel) who manage and administer the Marketing Fund. We may use the Marketing Fund to pay for other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead concerning Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs. We may use a portion of the Marketing Fund toward the cost to develop and maintain a Website. The Website may have a section relating to our franchise opportunity, and all advertising and promotional materials may reflect the availability of "American Family Care" franchises. Otherwise, we do not use Marketing Fund monies for advertising, that is principally a solicitation for the sale of franchises.

The Marketing Fund will not be our asset. We do not owe any fiduciary obligation to you for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. Any funds not spent as of the end of the fiscal year will remain in the Marketing Fund for use in the succeeding fiscal years and will not be refunded to franchisees.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses. The statement will be available for your review upon written request, 90 days after our fiscal year end. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent

certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate.

We intend the Marketing Fund to maximize and enhance public recognition of the American Family Care brand, the Marks, and the Centers. Although we may use the Marketing Fund, or portions of the monies in the Marketing Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in Brand enhancement activities that will benefit all Centers, we cannot and do not ensure that Marketing Fund expenditures will be made in or affecting any geographic area, or will be proportionate or equivalent to Marketing Fund contributions by the Centers operating in that geographic area. We do not guarantee or assure that any Center will benefit directly or in proportion to its Marketing Fund contribution.

If we terminate the Marketing Fund, we will, at our option, either spend the remaining funds to depletion or distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Marketing Fund contributions during the preceding 12-month period.

During the fiscal year ended on December 31, 2024, the Marketing Fund Contributions were spent as follows: 18.31% on production, 17.79% on media placement, 49.87% on administrative expenses, and 14.02% on printing and organizing the annual franchisee conference.

Grand Opening

Within 10 days of signing the approved lease for your Center, you must pay us the Grand Opening Spend Requirement of \$35,000, but if you are purchasing an existing Center, the Grand Opening Spend Requirement will be due no later than 10 days after the date you take possession of your Center. We will use the Grand Opening Spend Requirement to advertise, market, and promote your Center using any suppliers we may designate in accordance with a marketing and recruiting plan that we determine. We also recommend implementing an optional social media program for the initial marketing of your Center, and if you agree to do so then your total Grand Opening Spend Requirement will be up to \$50,000. Your grand opening expenses will not count towards your other marketing obligations under the Franchise Agreement.

Local Advertising and Promotion

We will guide you in the development of an advertising and marketing plan (the “Plan”) for your Center. Once approved, you must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. We are not required to spend any amount on advertising within any specific area, including your territory. In addition to your Marketing Fund contribution obligations and the grand opening program described above, you must spend currently \$2,000 each month, beginning 3 months after your Center’s grand opening, to advertise and promote your Center, but we may change this amount on notice to you, not to exceed the Marketing Expenditure Cap. This includes such items as advertising, brochures, promotional items, printing, and copying services, but does not include the cost of labor for any employees. You must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we may specify. If you fail to expend the required minimum amount, then any amounts that you should have expended to reach the \$2,000 per month requirement must be contributed to the Marketing Fund at such times as we specify.

If you are located within a telephone directory’s or similar service’s distribution area where other Centers are located, we may require you to participate in joint, collective, or market-wide advertising,

marketing, or promotional campaigns or programs as part of your Plan, and to pay your share of that joint, collective, or market-wide advertising or program.

Your local advertising and promotion must follow our guidelines which may include, requirements for, or restrictions regarding, the use of the Marks and notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize, without our prior written approval, any Website that mentions or describes you, the Center, or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and will conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe. You may use direct advertising only directed to customers located within your Territory, except as we approve or designate in connection with on-line directories and similar on-line advertising. We may specify third-party vendors that you must use for the design and development of your local advertising; however, you will be required to pay those third-party vendors directly without any offset to your required local expenditure requirements.

Marketing Cooperatives

We have the right to establish marketing cooperatives (each, a "Marketing Cooperative") for the geographic region in which your Center is located. The purpose of the Marketing Cooperative is to conduct marketing campaigns for the Centers and located in that region. We have not formed any Marketing Cooperatives that you must participate in, but we may do so in the future, but our franchisees in Massachusetts have formed a voluntary cooperative for their marketing efforts in their region. If and when we form a Marketing Cooperative the bylaws and other governing documents of the Marketing Cooperative will govern the terms its operations and your participation.

If a Marketing Cooperative for your area is established after you begin to operate your Center, then you must join the new Marketing Cooperative within 30 days of the Marketing Cooperative's beginning of operations. You will not be required to be a member of more than 1 Marketing Cooperative.

Websites

In furtherance of our policies regarding websites and the presence of the American Family Care brand on the Internet, we have the right to establish, maintain, and modify 1 or more websites that identify the American Family Care, System, and businesses that operate under our Marks. We will establish webpages on a website that identify individual Centers, and 1 webpage will specifically identify your Center. You will have the right to promote your Center using this webpage, and to utilize and modify this webpage, provided that you comply with our Website and Internet policies, and our other System Standards. Our current Websites are identified as www.afcurgentcare.com and www.afcfranchising.com. We may also develop or allow Marketing Cooperatives to develop, with our review and approval, regional Websites to promote the Brand and Centers in those regions. Our current website strategy includes utilizing our Website and various webpages for press releases, marketing, promotion, and dissemination of other information related to the Centers.

Computer Systems

Current System. The Computer System (as defined below) that we currently require is for use in connection with operational and management tasks of your Center. Subject to compliance with applicable laws, including HIPAA, we have the right to independent and unrestricted access certain data stored on your Computer System to review your Center's sales, financial performance, and certain other information relating to the Center (subject to HIPAA and any other applicable law).

We estimate the cost to purchase the Computer System to be approximately \$1,000 to \$2,000 for a single computer, with the appropriate software and peripherals for the Computer System, plus an estimated fee of approximately \$6,960 for implementation, training, hardware configuration and server configuration of the EMR services program that you must obtain from 1 of our approved EMR services vendors. Your costs may be higher if you purchase additional computers or components.

Except for the electronic medical record (EMR) program, you are not currently required to obtain service contracts to cover upgrades and updates, enhancements, and telephone support for any of the required software and hardware components of the Computer System. You must, however, upgrade your software as necessary to ensure proper functioning of your system and all regulatory requirements to ensure HIPAA compliance.

General Requirements. You must obtain and use the computer hardware and/or operating software and/or communications capabilities we specify (the "Computer System"). We may modify specifications for and components of the Computer System to keep up with technology changes and federal or state regulations. You must maintain a functioning e-mail address. You must obtain high-speed connection and have the necessary safeguards to prevent any unauthorized access and to avoid possible data breach of your Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities and to obtain service and support for the Computer System. You must incur the costs of obtaining the computer hardware, software, and/or communications capabilities comprising the Computer System (or additions and modifications) and the required service or support.

We or our affiliates may retain a third-party provider, or an ASP or a MSP to provide some or all of the computer and network service and support for your benefit or the benefit of the Centers, and you may pay a managed service or ASP hosting fee to us or to directly to such third-party provider. We will offer a limited help desk to support you with the Computer System at no additional cost. We have no obligation to reimburse you for any Computer System costs that you incur. Within 60 days after you receive notice from us, you must obtain and install the Computer System components or sign up with the MSP that we designate. We may require additional information including user ID and password to assist you with the installation, and/or support of the Computer System. (Section 2.4 of the Franchise Agreement)

Despite the fact that you must buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. We and our affiliates do not have any obligation to provide ongoing repairs, upgrades, or updates to your Computer System. You should be prepared to upgrade your Computer System as directed by us. There is no contractual limitation on the frequency and cost of this obligation. The cost to upgrade the hardware and maintain or upgrade the

software depends on our future needs, as well as technological developments. We have no formal policy or requirement for upgrading, so our estimate of possible upgrading and maintenance costs is approximately \$2,400 per year. You may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer System that might interfere with the operation of the Computer System in the manner we require. (Section 2.4 of the Franchise Agreement)

Manuals

The table of contents of our Manual is attached as Exhibit G. The Manual contains 466 pages.

Franchisee Council

We have 1 franchisee council. The purpose of the franchisee council is to foster communications among franchisees and with us. We can modify the bylaws of the franchisee council at any time. We can also discontinue the franchisee council at any time. The franchisee council does not have any decision-making power.

ITEM 12 **TERRITORY**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlet's that we own, or from other channels of distribution or competitive brands that we control.

The Site Selection Addendum to your Franchise Agreement will specify the search area within which you must find a suitable location for your Center. The search area of other franchisees may overlap with your search area. You must obtain our written approval of your proposed location for the Center, and you cannot relocate your Center without our prior written approval. Generally, we do not approve requests to relocate your Center after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your Center's new location, the criteria for which we may change in our discretion. Once we accept the location of your Center, we will determine your protected territory (the "Territory"). The Territory will typically consist of a geographic area that has a population of approximately 50,000 measured according to publicly available population information. However, there are no minimum requirements regarding the size or configuration of the Territory (for example, number of people living and working in the area, income levels, and buying habits), other similar and complementary businesses and destinations in the area, traffic patterns and natural barriers impacting how people get to and move within the area, availability of potential sites, likely trade areas, and growth trends. The Territory is typically described on a map attached to the Franchise Agreement but may also be identified by other means including, for example zip codes, market service areas (MSAs) or designated marketing areas (DMAs), streets, or official city or county boundaries.

Except as described in this Item 12, so long as you are in compliance with the terms of your Franchise Agreement, we will not, during the term of the Franchise Agreement, operate or authorize anyone else to own or operate a Center within the Territory identified in your Franchise Agreement, and so long as you are in compliance with the terms of your Area Development Agreement, we will not, during the term of the Area Development Agreement, operate or authorize anyone else to own or operate a Center in the Development Area identified in the Area Development Agreement. These are referred to as your "**Territorial Protections.**"

To maintain the Territorial Protections described above you must comply with your obligations under the Franchise Agreement and Area Development Agreement. You are not otherwise obligated to achieve minimum sales volumes, market penetration or other contingencies to maintain the Territorial Protections. However, we may revise the size or configuration of the Development Area or suspend the Territorial Protections under the Area Development Agreement on renewal of the Area Development Agreement or if you fail to comply with your obligations under the Area Development Agreement.

We and our affiliates retain, without restriction, all rights that are not expressly granted to you in the Franchise Agreement and the Area Development Agreement, including the following (and you are not permitted to exercise any of the following rights):

(1) the right to establish and operate, and to grant others the right to establish and operate, Centers using the System Standards and the Marks outside the Territory and the Development Area regardless of proximity to your Center;

(2) the right to establish and operate and grant to anyone else the right to establish and operate anywhere in the world (including in your Territory) any other business that is not a Center, even if such business offers and sells products and services that are the same as or similar to the products or services offered by your Center;

(3) the right to use and to grant others the right to use the Marks and System, and any other trademarks and systems, to offer and sell anywhere in the world (including in your Territory) any products or services, whether or not the same as or similar to the products and services you are authorized to offer and sell at your Center, through any channel or method of distribution that is not a Center in your Territory, including, without limitation, telehealth, mail order pharmacy services, home care, mobile-labs, internet-based services, and other health, wellness and related products and services;

(4) the right to acquire the assets of or ownership interests in businesses, or be acquired by businesses that operate, and/or have granted franchises, licenses, or similar rights to third parties to operate businesses similar to and/or competing with Centers, even if such businesses operate, franchise and/or license competitive businesses anywhere, including in the Territory and the Development Area. We or our affiliates may convert such businesses to Centers and/or permit them to continue to operate under another name regardless of their locations; and

(5) the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, Centers, and the services and products offered by or at the Centers, and authorize others to do so (via the internet or similar electronic media) or be received by prospective customers located anywhere, including within the Territory and the Development Area.

We and our affiliates are not required to pay any compensation to you for exercising the aforesaid rights.

We do not restrict our franchisees from soliciting or providing services to customers outside their Territory. However, without our prior written approval, you may not offer or sell, or permit the PC to offer or sell, services or products through any alternate means of distribution such as mail order, the Internet, etc.

You have no right of first refusal or similar rights to acquire additional development rights or franchises or to establish additional Centers.

ITEM 13 **TRADEMARKS**

Under the Franchise Agreement, we grant you the right to use certain Marks. You have no right to use any of our Marks under the Area Development Agreement. AFCLLC owns the following Marks which are registered on the Principal Register with the United States Patent and Trademark Office (“USPTO”):

Service Mark and/or Trademark	Class	Registration Number	Date
AMERICAN FAMILY CARE	44	4487746	February 25, 2014
AFC	44	4954739	May 10, 2016
	44	4963999	May 14, 2016
	44	4490730	March 4, 2014
	44	5170540	March 28, 2017
	44	5175667	April 4, 2017
	44	5195152	May 2, 2017
AFC Urgent Care	44	5240938	July 11, 2017
	44	5315442	October 14, 2017
	44	5315440	October 24, 2017
	44	5476580	May 22, 2018
American Family Care TeleCare	44	6631114	February 1, 2022
AFC COVIDSafe Workplace	44	6740096	May 24, 2022

All required affidavits of use and an affidavit of incontestability, when due, for the above Marks and registrations have been timely filed with the USPTO.

Our right to use and license others to use the Marks is exercised under a trademark license agreement dated March 10, 2025 (the “TM Agreement”) between us and AFCLLC. The TM Agreement has a term of 99 years and can be terminated on 30 days’ notice without cause or for a material breach of the TM Agreement which is not cured upon 30 days’ notice to us (resulting in the loss of our right to use and to sublicense the use of the Marks). Your rights to use the Marks during the current term of your Franchise Agreement will not be affected by the termination or expiration of our license. However, we will not be able to grant additional licenses of the Marks after expiration or termination of our license.

There is no agreement in effect which significantly limits our rights to use or license the Marks in any state in a manner material to the franchise, other than the TM Agreement. We do not know of any infringing uses that could materially affect your use of the Marks, except as follows:

Your right to use the Marks is derived only from the Franchise Agreement and limited to your operating the Center according to the Franchise Agreement and all System Standards we prescribe during its term.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate and control exclusively any litigation, USPTO proceeding, or other administrative proceeding resulting from any infringement, challenge, claim, or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or use additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any expenses or for any loss of revenue due to any modified or discontinued Mark.

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Franchise Agreement if you have notified us immediately upon your becoming aware of, and comply with our directions in responding to, the proceeding and you have used the Mark(s) in compliance with the Franchise Agreement, Manual, and other directives from us. At our option, we may defend and control the defense of any proceeding resulting from your use of any Mark under the Franchise Agreement.

There are currently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

We or our affiliates do not own any patents or patent applications which are material to the franchise.

Copyrights

We claim copyright protection covering various materials used in our business and the development and management and operation of the Centers, including the website, advertising and promotional materials, our form of Franchise Agreement, the Manual, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so. We may register any of these items or copyrightable materials in the future.

There are currently no effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the

copyrighted materials. No agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must execute such documents (and, if necessary, require your independent contractors to execute such documents) that may be deemed reasonably necessary by us to give effect to this requirement.

Confidential Information

We possess and will continue to develop and acquire certain confidential information, some of which constitutes trade secrets under applicable law (the “Confidential Information”), concerning operating the Centers, including: site selection and territorial criteria; training and operations materials and manuals; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in operating the Centers, including developing and managing Centers and providing urgent care and primary care services to patients; marketing and advertising programs for the Centers; physician and employee recruitment, training, retention programs; knowledge of specifications for and suppliers of Operating Assets, and other products; any computer software or similar technology which is proprietary to us or the System, including, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; knowledge of the operating results and financial performance of the Centers (subject to compliance with HIPAA and other requirements); and graphic designs and related intellectual property.

You will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Center during the Franchise Agreement’s term, and that Confidential Information is proprietary and is disclosed to you only on the condition that you: (1) will not use Confidential Information in any other business or capacity; (2) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Franchise Agreement’s term and after the term for as long as the item is not generally known in the health care management and/or urgent care industries; (3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and (4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to the Center’s personnel and others and using non-disclosure agreements with those having access to Confidential Information.

We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You are obligated to maintain in your files those executed confidentiality agreements we specify and make them available to us upon request.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the health care management and/or urgent care industries through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the health care management and/or urgent care industries through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information,

anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

Confidential Manual

During the term of the Franchise Agreement, we will grant to you access to our Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. You agree to read and follow the mandatory policies and procedures in the Manual.

You must at all times keep your copy of the Manual current and in a secure location at the Center. If there is a dispute over its contents, our master copy of the Manual controls. The Manual's contents are confidential, and you will not disclose the Manual to any person other than the Center's employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual. If your copy of the Manual is lost, destroyed, or significantly damaged, you must obtain a replacement copy from us. We may assess you our then applicable printing or copying charge. This charge is for our direct costs and is not related to any value that we place on the Confidential Information.

We may, in our discretion, post some or all of the Manual on a restricted Website or extranet to which you will have access. ("Website" means an interactive electronic document contained in a network of computers linked by communications software, including the Internet and World Wide Web home pages). If we do so, you must monitor and access the Website for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on a Website will be deemed to be part of Confidential Information.

ITEM 15 **OBLIGATION TO PARTICIPATE IN THE** **ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You or one of your owners that we designate as the "**Operating Principal**" must manage the Center on a full-time basis. You must designate a person, who is acceptable to us, to be the "**Center Administrator**" who will be charged with responsibility for direct supervision of the Center. The Center Administrator may, but need not be, your owner. Your failure to have your Center managed on a full-time basis by you or your Operating Principal is a default for which we may terminate the Franchise Agreement if the default persists for 30 days after notice from us. The Center Administrator must devote his or her full time and best efforts to the management and supervision of the Center.

If you own or control more than one Center, each Center must be under the direct on-premises supervision of a Center Administrator who has completed our training programs and, if then applicable, obtained certifications that we may specify.

The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for you. You may not change the Operating Principal without our prior written consent. We require that all owners, except those that 10% or less ownership interest in you, to sign a guarantee and assumption of obligations in the form attached to the Franchise Agreement as Exhibit E. Non-owner spouses of your owners are not required to sign a guarantee and assumption of obligations; however, they must sign their spouse's guaranty to acknowledge the guaranty's existence and to be bound by the confidentiality and non-competition provisions of the guaranty.

You or your Operating Principal must satisfactorily complete initial training. If you or your Operating Principal fail to complete the initial training to our satisfaction, then you must repeat the training or send a substitute to complete the next available training program. We may charge you a fee to provide training to the substitute personnel. If we determine that you or your Operating Principal cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement.

All management personnel, including the Center Administrator and any other personnel that we designate, must meet minimum qualifications that we may specify and complete such training programs as we may require, prior to managing the Center or training other personnel. If we learn or determine that a person is regarded as no longer complying with our standards and procedures, then we may require that person to satisfactorily complete training or a re-training program. We reserve the right to charge for retraining personnel.

In addition, all management personnel and other personnel working at your Center must satisfactorily complete all state and local government required training and must meet all mandatory licensing and certification requirements.

Your Center Administrator must sign a confidentiality agreement, in a form that is acceptable to us, which will contain covenants we require. If your Operating Principal has not signed the guaranty and assumption of obligations then your Operating Principal must also sign a confidentiality agreement, in a form that is acceptable to us, which will contain covenants we require.

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

To the extent required, you must provide all management services to the PC that we specify to support the PC's provision of Urgent and Primary Care Services at the Center in a manner that is consistent with all applicable laws and regulations. You must offer and sell at and from the Center all products and services, and only those products and services, that we have approved. You must not offer for sale or sell at, from, or in connection with the operation of your Center any services or products we have not approved or for which we have revoked our approval. You will discontinue selling and offering for sale any services or products that we at any time decide to disapprove in writing. There is no limit our ability to change the types of products and services that you may offer or sell. Without limiting the previous requirement, you agree not to provide any medical care or medical services.

To the extent required by applicable laws, the PC for the Center will employ and control the Licensed Persons. You will not supervise, direct, control or suggest to, the PC or its physicians or employees the manner in which the PC provides or may provide Urgent and Primary Care Services at the Center.

If you determine that under the applicable laws, you can own and operate the Center, employ Licensed Persons, provide Urgent and Primary Care Services, and pay royalty and other fees to us and our affiliates in the manner described in the Franchise Agreement, then upon your request, we may waive the requirement for you enter into a Business Support Services Agreement with the PC and require you to execute the Amendment to Waive Business Support Services Agreement, the current form of which is attached as Exhibit I to this disclosure document.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Definitions	Term expires 10 years after opening date of the Center.
b. Renewal or extension	Section 13	4 additional 5-year renewal terms.
c. Requirement for franchisee to renew or extend	Section 13	<u>In order to acquire successor franchise rights (i.e. renew the Franchise Agreement or extend the term of the Franchise Agreement) disclosed in row b above, you must:</u> give timely notice of intent to seek successor franchise (180 to 270 days prior to the expiration of the term); not be in default of, and substantial compliance with, the Franchise Agreement; fulfill of all monetary obligations; upon our request, you and your owners (as applicable) must execute a general release and our then-current form of Franchise Agreement and related documents, ~~which agreement shall supersede this Agreement in all respects, and~~ the terms of which may <u>materially</u> differ from the terms from ~~this~~ <u>your then existing Franchise</u> Agreement; your designated trainees must successfully complete any additional training that we designate; maintain your right to occupy the premises of your Center for the duration of the successor term; renew your Business Support Services Agreement with the PC for the duration of the successor term on such terms that are acceptable to us; pay us a successor franchise; and you make such modifications and improvements to your Center to bring it into compliance with then-current System Standards. Our grant of successor franchise term is also subject to us then granting Franchises for the Centers in the state in which your Center is located.
d. Termination by franchisee	Not applicable	Not applicable but subject to applicable state law.
e. Termination by franchisor without cause	Not applicable	Not applicable.

Provision	Section in franchise or other agreement	Summary
f. Termination by franchisor with cause	Sections 14.1, 14.2 and 14.3	We may terminate only if you default and commit any violation described in Item 17 (g) and (h)
g. "Cause" defined – curable defaults	Sections 14.2 and 14.3	You have 30 days to cure: failure to open the Center within specified time period; failure to complete training; misuse of any proprietary software; failure to maintain required licenses; failure to maintain required insurance; failure to pay amounts due; failure to pay suppliers or taxing authorities; failure to operate from the approved premises; failure to hire required personnel; and violation of the Franchise Agreement. You have 10 days to cure: your or your PC's failure to comply with legal requirements for operation and/or employment in an urgent care management business You have 5 days to cure: your failure to pay outstanding amounts to us or our affiliates. Under cross-default provision, we can terminate the Franchise Agreement if you or your affiliates fails to comply with any other agreement with us or our affiliates and do not cure such failure within the applicable cure period.
h. "Cause" defined - non-curable defaults	Sections 14.1 and 14.2	Your bankruptcy, insolvency, failure to discharge an unsatisfied judgement for more than 30 days, or failure dismiss a foreclosure action for more than 30 days; material misrepresentation in franchise application process; unauthorized transfers; felony conviction or guilty plea to a felony charge by your or your owners, misuse of our Marks, our confidential information, or the System; unauthorized interference in our relationship with our vendors or other third-parties; underreporting Net Payments of your Center; repeated defaults; violation of anti-terrorism laws; operation of your Center in an unsafe manner; your failure to maintain a valid Business Support Services Agreement in place in the form we approve with a PC that we approve or designate; or your failure to comply with the Business Support Services Agreement. Under cross-default provision, we

Provision	Section in franchise or other agreement	Summary
		can terminate the Franchise Agreement if you or your affiliates fails to comply with any other agreement with us or our affiliates and do not cure such failure within the applicable cure period.
i. Franchisee's obligations on termination/non-renewal	Section 15	Cease operating and using the Marks; pay all outstanding amounts; comply with restrictive covenants; return Manual and others confidential information; cancel all fictitious name registrations; deidentify the Center; and comply with our other instructions related to closure or de-identification of the Center.
j. Assignment of contract by franchisor	Section 12.1	We may assign the Franchise Agreement without limitation.
k. "Transfer" by franchisee – defined	Section 12.2	Includes voluntary or involuntary sale, assignment, transfer, conveyance, gift, pledge, mortgage, or otherwise disposal of or encumbrance of any direct or indirect interest in the Franchise Agreement, your Center or its assets (other than in ordinary course of business), your right to possession of the premises, your right to manage the Center; or any direct or indirect ownership interest in you (if you are an entity).
l. Franchisor approval of transfer by franchisee	Section 12.3	We have the right to approve all transfers by you or your owners.
m. Conditions for franchisor approval of transfer	Section 12.3	Our approval of transferee and its financial condition; our receipt of all required information; your correction of all deficiencies to meet the System Standards; you agreeing to upgrade and refurbish the Center to comply with the then-current System Standards; transferee and its owners sign then-current franchise agreement; payment of transfer fee and all outstanding amounts; your and your owners' execution of execution of release; successful completion of all training required by us of the transferee and its personnel; all obligations to us satisfied; and your and your owners' compliance with non-compete obligations.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12.5	We have the right of first refusal, if you determine to sell or transfer your interest in the franchisee, the Franchise Agreement or the Center.
o. Franchisor's option to purchase franchisee's business	Section 15.5	We have the right upon termination or expiration to purchase all your assets from the Center at a purchase price equal to their fair

Provision	Section in franchise or other agreement	Summary
		market value.
p. Death or disability of franchisee	Section 12.4	Your estate must transfer your interest in the Center to a third party we approve, within 12 months after death or disability. Your estate must appoint a manager within 30 days of death or disability and an Operating Principal within 90 days after death or disability; subject to state law.
q. Non-competition covenants during the term of the franchise	Section 7	You, your owners, and your and your owners' immediate family members cannot engage in Competitive Business (except own less than 5% ownership interest in a competing publicly traded company); be or perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business; divert or attempt to divert any actual or potential business or customer of any Center to a Competitive Business; interfere or attempt to interfere with our or our affiliates' relationships with any vendors, franchisees, or consultants; or engage in any other activity which might injure the goodwill of the Marks or System or directly or indirectly, appropriate, use or duplicate the System or System Standards. "Competitive Business" – means (i) any urgent or primary care center, or a business that offers or provides urgent and/or primary care or management services for an urgent care center, or any other product or service or management service that is similar to the services and products authorized to be offered, sold or provided under the Marks and the System; or (ii) any business that grants franchises or licenses to others to operate the type of business specified in the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.4	Includes a 2-year prohibition on a Competitive Business at the Premises, within the Territory, within 5 miles of the border of the Territory, and within 10 miles of any Center. This is restriction is subject to applicable state laws.
s. Modification of agreement	Section 8.8	The Franchise Agreement may only be modified by written agreement signed by both parties; however, we may freely change System Standards.
t. Integration/merger clause	Section 19	Only the terms of the Franchise Agreement

Provision	Section in franchise or other agreement	Summary
		are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. However, nothing is intended to disclaim any representations we make in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 17.5	Before filing for arbitration, the parties must first submit the dispute to non-binding mediation (except for injunctive relief). The Franchise Agreement contains provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised (subject to applicable state law). If mediation is not successful, except for certain claims, all disputes must be arbitrated before the American Arbitration Association (the “AAA”) according to the AAA’s then-current Commercial Arbitration Rules at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor’s or assign’s, as applicable) then-current principal place of business (currently, Hoover, Alabama). These provisions are subject to applicable state law.
v. Choice of forum	Section 17.7	Subject to applicable state law, you must sue us in the state where our or, as applicable, our successor’s or assign’s corporate headquarters are located (currently Hoover, Alabama).
w. Choice of law	Section 17.6	Alabama law, subject to applicable state law.

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

Provision	Section in area development agreement	Summary
a. Length of the franchise term	Section IV	The term shall expire on the earlier of (i) the last day of the last Development Period under the Development Schedule, or (ii) the date on which the last Center required to be opened pursuant to the Development Schedule is opened for business
b. Renewal or extension	None	Not Applicable
c. Requirement for franchisee to	None	Not Applicable

Provision	Section in area development agreement	Summary
renew or extend		
d. Termination by franchisee	None	Not Applicable; subject to state law.
e. Termination by franchisor without cause	None	We cannot terminate without cause.
f. Termination by franchisor with cause	Section V	We can terminate only if you default
g. "Cause" defined – curable defaults	Section V.C.	You have 30 days to cure any default that is not enumerated in Section V.C of the Area Development Agreement. Under cross-default provision, we can terminate the Area Development Agreement if you or your affiliates fails to comply with any other agreement with us or our affiliates and do not cure such failure within the applicable cure period.
h. "Cause" defined - non-curable defaults	Section V.B. and V.C.	Insolvency or bankruptcy, receivership or assignment for benefit of creditors; you fail to meet the Development Schedule or fail to make progress in the development of Centers to indicate, in our determination, that you will not be able to satisfy your development obligations ~~under this Agreement for the then current Development Period;~~ you or your owners make or attempt to make an unauthorized transfer; you or your owners make or have made any misrepresentation to us; you, your owners, or your employees or agents misuse the System or our Marks; or felony conviction, guilty plea, or improper behavior by you or your owners. Under cross-default provision, we can terminate the Area Development Agreement if you or your affiliates fails to comply with any other agreement with us or our affiliates and do not cure such failure within the applicable cure period.
i. Franchisee's obligations on termination/non-renewal	Section V	You must cease exercising any rights under the Area Development Agreement.
j. Assignment of contract by franchisor	Section VI.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section VI.B.	Includes pledge, gift or assignment of the Area Development Agreement or ownership change of Developer.
l. Franchisor approval of transfer by franchisee	Section VI.	We have the right to approve any transfer. You, your owners, and your and their

Provision	Section in area development agreement	Summary
		permitted successors or assigns shall not market or advertise for sale, sell, pledge, assign, transfer, convey, give away, mortgage, or otherwise dispose of or encumber any interest in the Area Development Agreement or in you.
m. Conditions for franchisor approval of transfer	Section VI.	All obligations to us are satisfied; you and your owners sign a release; transferee must qualify and either assume the Area Development Agreement and Franchise Agreements or sign new agreements and complete training; pay transfer fee.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Section VI.	Must be transferred to a qualified person within a reasonable time and subject to our consent.
q. Non-competition covenants during the term of the franchise	Not applicable	Not applicable
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable
s. Modification of agreement	Section XII.	No modification except by written agreement signed by both parties.
t. Integration/merger clause	Section XII.	Only the terms of the Area Development Agreement are binding (subject to state law), any other promises are unenforceable. Nothing is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section XIII.	All disputes must be arbitrated before a AAA arbitrator according to the AAA's then-current Commercial Arbitration Rules at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor's or assign's, as applicable) then-current principal place of business (currently, Hoover, Alabama). These provisions are subject to applicable state law.
v. Choice of forum	Section XIV.A.	Subject to applicable state law, you must

Provision	Section in area development agreement	Summary
		sue us in the state where our or, as applicable, our successor's or assign's corporate headquarters are located (currently Hoover, Alabama).
w. Choice of law	Section XI	Alabama law, 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 outlet's, 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.

As of December 31, 2024, there were 386 Centers in operation, 82 of which are owned and operated by our affiliates ("Affiliate Owned"), and 304 of which are owned and operated by third-party franchisees ("Franchisee Owned"). For purposes of this Item 19, we have excluded 38 Centers that initially commenced business in 2024 (4 Affiliate Owned and 34 Franchisee Owned) ~~because of volatility associated with the ramp-up after the Centers' initial opening, and therefore, did not operate for the entire calendar year~~. The remaining 348 Centers (78 Affiliate Owned and 270 Franchisee Owned) operated for the entire calendar year 2024 and form the data set (the "Data Set") for this Item 19, which reflects historical information for calendar year 2024 that is provided to us by our franchisees and affiliates.

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Tables 1.A. and 1.B. represent the Average Cash Revenue (as defined below), average Annual Visits (as defined below), average Patients Per Day (as defined below), and certain related data for Affiliate Owned and Franchised Centers in 2024 divided in quintile.

TABLE 1.A. AFFILIATE OWNED CENTERS

Quintile	# of Centers	Average Cash Revenue ("ACR")	Median Cash Revenue	Highest and Lowest Cash Revenue	No./% of Centers that met or exceeded the ACR	Average Annual Visit ("AAV")	Median Annual Visit	No./% of Centers that met or exceeded the AAV	Average Patients Per Day ("PPD")	Median PPD	No./% of Centers that met or exceeded the average PPD
1	16	\$2,544,617	\$2,478,636	\$3,284,470 - \$2,049,978	6 / 38%	20,112	19,222	6 / 38%	55.9	53.4	6 / 38%
2	16	\$1,958,703	\$1,957,515	\$2,038,004 - \$1,878,496	8 / 50%	15,815	15,516	7 / 44%	43.9	43.1	7 / 44%
3	16	\$1,756,674	\$1,785,708	\$1,878,123 - \$1,606,003	10 / 63%	14,031	13,853	7 / 44%	39.0	38.5	7 / 44%
4	15	\$1,425,360	\$1,441,142	\$1,570,089 - \$1,302,631	6 / 40%	11,843	11,918	8 / 53%	32.9	33.1	8 / 53%
5	15	\$1,067,176	\$1,087,700	\$1,294,911 - \$729,432	8 / 53%	8,919	8,569	5 / 33%	24.8	23.8	5 / 33%
ALL	78	\$1,763,435	\$1,793,289	\$3,284,470 - \$729,432	41 / 53%	14,241	13,805	33 / 42%	39.6	38.3	34 / 44%

TABLE 1.B. FRANCHISED CENTERS

Quintile	# of Centers	Average Cash Revenue ("ACR")	Median Cash Revenue	Highest and Lowest Cash Revenue	No./% of Centers that met or exceeded the ACR	Average Annual Visit ("AAV")	Median Annual Visit	No./% of Centers that met or exceeded the AAV	Average PPD	Median PPD	No./% of Centers that met or exceeded the average PPD
1	54	\$3,103,175	\$3,007,283	\$4,800,253 - \$2,378,647	20 / 37%	20,374	19,402	25 / 46%	56.6	53.9	25 / 46%
2	54	\$2,077,164	\$2,065,478	\$2,360,321 - \$1,822,326	26 / 48%	14,767	14,763	26 / 48%	41.0	40.9	27 / 50%
3	54	\$1,630,195	\$1,638,106	\$1,812,292 - \$1,452,149	28 / 52%	11,968	11,606	26 / 48%	33.2	32.2	26 / 48%
4	54	\$1,252,600	\$1,283,502	\$1,447,805 - \$1,064,086	29 / 54%	9,471	9,610	28 / 52%	26.3	26.7	28 / 52%
5	54	\$810,602	\$846,149	\$1,053,336 - \$133,675	28 / 52%	6,702	6,687	27 / 50%	18.6	18.6	27 / 50%
ALL	270	\$1,774,747	\$1,638,106	\$4,800,253 - \$133,675	112 / 41%	12,656	11,615	118 / 44%	35.2	32.3	118 / 44%

Tables 2.A., 2.B., and 2.C. represent Average Cash Revenue, average Annual Visits, average Patients Per Day, and certain related data for Affiliate Owned, Franchised Centers, and Systemwide Centers in 2024 bifurcated into two categories i.e., Centers that commenced operation until 2020 and Centers that commenced operations after 2020.

TABLE 2.A. AFFILIATE OWNED CENTERS

Vintage	# of Centers	Average Cash Revenue ("ACR")	Median Cash Revenue	Highest and Lowest Cash Revenue	No./% of Centers that met or exceeded the ACR	Average Annual Visit ("AAV")	Median Annual Visit	No./% of Centers that met or exceeded AAV	Average Patients Per Day ("PPD")	Median PPD	No./% of Centers that met or exceeded average PPD
2020 and prior	72	\$1,782,724	\$1,812,277	\$3,284,470 - \$729,432	39 / 54%	14,395	13,859	32 / 44%	40.0	38.5	32 / 44%
2021-2023	6	\$1,531,974	\$1,442,847	\$2,037,494 - \$1,294,911	2 / 33%	12,389	10,985	2 / 33%	34.4	30.5	2 / 33%
ALL	78	\$1,763,435	\$1,793,289	\$3,284,470 - \$729,432	41 / 53%	14,241	13,805	33 / 42%	39.6	38.4	33 / 42%

TABLE 2.B. FRANCHISED CENTERS

Vintage	# of Centers	Average Cash Revenue ("ACR")	Median Cash Revenue	Highest and Lowest Cash Revenue	No./% of Centers that met or exceeded the ACR	Average Annual Visit ("AAV")	Median Annual Visit	No./% of Centers that met or exceeded AAV	Average Patients Per Day ("PPD")	Median PPD	No./% of Centers that met or exceeded average PPD
2020 and prior	149	\$2,103,917	\$1,975,971	\$4,800,253 - \$133,675	64 / 43%	14,821	14,161	69 / 46%	41.2	39.3	69 / 46%
2021-2023	121	\$1,369,405	\$1,178,466	\$3,963,353 - \$436,427	52 / 43%	9,990	9,159	50 / 41%	27.8	25.4	50 / 41%
ALL	270	\$1,774,747	\$1,638,106	\$4,800,253 - \$133,675	112 / 41%	12,656	11,615	118 / 44%	35.2	32.3	118 / 44%

TABLE 2.C. SYSTEMWIDE CENTERS

Vintage	# of Centers	Average Cash Revenue ("ACR")	Median Cash Revenue	Highest and Lowest Cash Revenue	No./% of Centers that met or exceeded the ACR	Average Annual Visit ("AAV")	Median Annual Visit	No./% of Centers that met or exceeded AAV	Average Patients Per Day ("PPD")	Median PPD	No./% of Centers that met or exceeded average PPD
2020 and prior	221	\$1,999,275	\$1,881,707	\$4,800,253 - \$133,675	89 / 40%	14,682	13,904	101 / 46%	40.8	38.6	101 / 46%
2021-2023	127	\$1,377,086	\$1,294,911	\$3,963,353 - \$436,427	56 / 44%	10,104	9,262	54 / 43%	28.1	25.7	54 / 43%
ALL	348	\$1,772,212	\$1,673,227	\$4,800,253 - \$133,675	155 / 45%	13,011	12,451	158 / 45%	36.1	34.6	159 / 46%

Notes:

1. "Cash Revenue" means the total revenue received by a Center during calendar year 2024, including all revenue received from the PC and from the offer and sales of all services (and products) to customers of the Centers, but excluding revenue for 2024 visits that were not collected in calendar year 2024. Cash Revenue is calculated differently than Net Payments (i.e., the amount that we use to calculate royalty payments). "Average Cash Revenue" means total Cash Revenue of all Centers in any category of the Data Set divided by the total number of Centers in such category.
2. "Annual Visits" means the total number of patient visits (each visit by each person is 1 visit) for a Center during calendar year 2024. The physicians of each Center determine how many patients a physician must see in a given period or how many hours a physician must work each day. "Average Annual Visits" means the total Annual Visits of all Centers in any category of the Data Set divided by the total number of Centers in such category.
3. "PPD" of a Center means Annual Visits of such Center divided by 360. "Average PPD" means the total PPD of all Centers in any category of the Data Set divided by the total number of Centers in such category.
4. Median is the middle point of the Data Set when arranged in ascending order. For any category that has an even number of values, the median is the average of the two middle values when arranged in ascending order.

Some franchises have earned this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

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 the franchisor's management by contacting the Legal Department, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLET'S AND FRANCHISEE INFORMATION

Table 1
Franchise Outlet Summary
For years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	176	217	+41
	2023	217	275	+58
	2024	275	304	+29
Company-Owned*	2022	78	79	+1
	2023	79	82	+3
	2024	82	82	+0
Total Outlets	2022	254	296	+42
	2023	296	357	+61
	2024	357	386	+29

*We do not own or operate any Centers. Therefore, all references to Company-Owned outlet's in this Item 20 means Centers that are owned and operated by AFCLLC.

** Table 1 reflects data for fiscal years 2022 (December 1, 2021 - November 30, 2022), 2023 (December 1, 2022 - November 30, 2023), and 2024 (December 1, 2023 - December 31, 2024).

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024*

State	Year	Number of Transfers
California	2022	2
	2023	2
	2024	0
Florida	2022	0
	2023	11
	2024	0
Illinois	2022	2
	2023	1
	2024	0
Iowa	2022	0
	2023	1
	2024	0
Missouri	2022	0
	2023	0
	2024	1
New Hampshire	2022	0
	2023	0
	2024	1
New York	2022	0
	2023	2
	2024	1
North Carolina	2022	0

State	Year	Number of Transfers
Pennsylvania	2023	1
	2024	2
	2022	1
	2023	0
	2024	1
Texas	2022	0
	2023	1
	2024	0
South Carolina	2022	0
	2023	10
	2024	0
Virginia	2022	0
	2023	0
	2024	2
Total	2022	5
	2023	29
	2024	8

** Table 2 reflects data for fiscal years 2022 (December 1, 2021 - November 30, 2022), 2023 (December 1, 2022 - November 30, 2023), and 2024 (December 1, 2023 - December 31, 2024).

Table 3
Status of Franchised Outlet's
For years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened*	Terminations*	Non Renewals*	Reacquired by Franchisor*	Ceased Operations Other Reasons*	Outlets at End of the Year
California	2022	11	4	0	0	0	0	15
	2023	15	5	1	0	0	0	19
	2024	19	0	0	0	0	0	19
Colorado	2022	15	3	0	0	0	0	18
	2023	18	4	0	0	0	0	22
	2024	22	2	0	0	0	0	24
Connecticut	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	1	0	0	0	0	8
Florida	2022	12	1	0	0	0	1	12
	2023	12	2	0	0	0	3	11
	2024	11	5	1	0	0	0	15
Georgia	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Idaho	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	4	0	0	0	0
Illinois	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened*	Termi- nations *	Non Renewals *	Reacquired by Franchisor *	Ceased Operations Other Reasons*	Outlets at End of the Year
	2024	3	0	0	0	0	0	3
Iowa	2022	0	0	0	0	0	0	0
	2023	0	1	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Kansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maine	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2024	1	1	0	0	0	0	2
Massachusetts	2022	12	0	0	0	0	0	12
	2023	12	2	0	0	0	0	14
	2024	14	2	0	0	0	0	16
	2024	14	2	0	0	0	0	16
Michigan	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2024	5	1	0	0	0	0	6
Minnesota	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Mississippi	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	1	1
	2024	2	0	0	0	0	1	1
Missouri	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2024	2	1	0	0	0	0	3
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
	2024	1	0	0	0	0	0	1
Nevada	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2024	0	1	0	0	0	0	1
New Hampshire	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2024	0	1	0	0	0	0	1
New Jersey	2022	21	5	0	0	0	0	26
	2023	26	11	1	0	0	0	36
	2024	36	5	0	0	0	0	41
	2024	36	5	0	0	0	0	41
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	13	5	0	0	0	0	18
	2023	18	5	1	0	0	0	22
	2024	18	5	1	0	0	0	22
	2024	18	5	1	0	0	0	22

State	Year	Outlets at Start of Year	Outlets Opened*	Terminations*	Non Renewals*	Reacquired by Franchisor*	Ceased Operations Other Reasons*	Outlets at End of the Year
	2024	22	1	0	0	0	0	23
North Carolina	2022	10	7	0	0	0	0	17
	2023	17	2	0	0	0	0	19
	2024	19	4	0	0	0	0	23
Ohio	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Oregon	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Pennsylvania	2022	15	2	0	0	0	0	17
	2023	17	10	0	0	0	0	27
	2024	27	0	2	0	0	0	25
South Carolina	2022	15	0	0	0	0	0	15
	2023	15	0	0	0	0	0	15
	2024	15	2	0	0	0	0	17
Tennessee	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
	2024	11	2	0	0	0	0	13
Texas	2022	11	5	0	0	0	0	16
	2023	16	12	0	0	0	0	28
	2024	28	4	0	0	0	0	32
Virginia	2022	4	3	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	2	0	0	0	0	10
Washington	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Totals	2022	176	42	0	0	0	1	217
	2023	217	65	4	0	0	3	275
	2024	275	37	7	0	0	1	304

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

** Table 3 reflects data for fiscal years 2022 (December 1, 2021 - November 30, 2022), 2023 (December 1, 2022 - November 30, 2023), and 2024 (December 1, 2023 - December 31, 2024).

Table 4
Status of Company-Owned Outlets
For years 2022 to 2024*

State	Year	Outlets at Start of the Year	Outlet's Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alabama	2022	42	0	0	0	0	42
	2023	42	2	0	0	0	44

State	Year	Outlets at Start of the Year	Outlet's Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2024	44	3	0	2	0	45
Connecticut	2022	9	1	0	0	0	10
	2023	10	0	0	0	0	10
	2024	10	0	0	0	0	10
Florida	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Georgia	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	2	0	3
Massachusetts	2022	9	0	0	0	0	9
	2023	9	1	0	0	0	10
	2024	10	1	0	0	0	11
Tennessee	2022	9	0	0	0	0	9
	2023	9	0	0	0	0	9
	2024	9	0	0	0	0	9
Totals	2022	78	1	0	0	0	79
	2023	79	3	0	0	0	82
	2024	82	4	0	4	0	82

** Table 4 reflects data for fiscal years 2022 (December 1, 2021 - November 30, 2022), 2023 (December 1, 2022 - November 30, 2023), and 2024 (December 1, 2023 - December 31, 2024)

Table 5
Projected Openings as of December 31, 2024, for the Calendar Year 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected Parent-Owned Outlets In The Next Year
California	18	8	0
Colorado	8	3	0
Florida	6	2	0
Georgia	3	0	0
Illinois	2	2	0
Maryland	1	1	0
Massachusetts	6	4	0
New Jersey	18	7	0
New York	10	3	0
North Carolina	2	0	0
Oregon	1	1	0
Pennsylvania	6	4	0
South Carolina	0	1	0
Tennessee	1	1	0
Texas	6	1	0
Vermont	1	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected Parent-Owned Outlets In The Next Year
Virginia	6	0	0
Washington	3	2	0
Total	98	38	0

The names, addresses, and telephone numbers of the current franchisees of the Centers appear in Exhibit E.

The names, addresses, and telephone numbers of franchisees who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the 2024 fiscal year or have not communicated with us within 10 weeks of the date of this disclosure document are identified on Exhibit E. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 years, we have had franchisees that have signed agreements with confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us or our affiliates. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

As of the date of this franchise disclosure document, we are not aware of any associations formed by our franchisees.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this disclosure document as Exhibit F are our (i) unaudited financial statements comprised of our balance sheet as of February 28, 2025 and the related statements of operations, members' equity, and cash flows for January 1 to February 28, 2025, and (ii) audited financial statements comprised of our balance sheet as of December 31, 2024, November 30, 2023, and November 30, 2022, and the related statements of operations, members' equity, and cash flows for the fiscal years 2024, 2023, and 2022.

Our 2024 fiscal year ended on December 31, 2024. Our prior fiscal years ended on November 30th of each year. In 2024, we changed our fiscal year to a calendar year.

ITEM 22 **CONTRACTS**

The following contracts are attached to this disclosure document:

- Form of Franchise Agreement (Exhibit A)
- [Representations and Acknowledgement Statement \(Exhibit F to the Franchise Agreement\)](#)
- Form of Area Development Agreement (Exhibit B)
- Form of Conversion Addendum (Exhibit C)
- Form of General Release (Exhibit H)
- State-Specific Addenda and Rider (Exhibit I)

ITEM 23
RECEIPTS

The last 2 pages of this disclosure document (Exhibit J) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us 1 copy; please keep the other copy along with this disclosure document.

EXHIBIT A
FRANCHISE AGREEMENT

[AFC Franchising, LLC](#)
[Ex. A – 2025 10 Franchise Agreement](#)
[1579.002.002/441775](#)



american family care[®]
The Right Care. Right Now.

AFC FRANCHISING, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

TERRITORY & LOCATION ADDRESS

TABLE OF CONTENTS

	<u>Page</u>
1. GRANT OF FRANCHISE; TERRITORY	4
1.1 Grant of Franchise	4
1.2 Professional Corporation Under Management; Services	4
1.3 Limited Territorial Rights	5
1.4 Rights We Reserve	5
1.5 Modification of System	6
1.6 Corporation, Limited Liability Company, or Partnership	6
2. OPENING OF CENTER, LOCATION ACCEPTANCE, LEASE OF PREMISES, AND DEVELOPMENT	7
2.1 Location Acceptance	7
2.2 Center Development	7
2.3 Operating Assets	8
2.4 Computer System	8
2.5 Opening of Center	9
3. FEES	10
3.1 Initial Franchise Fee	10
3.2 Royalty Fee	10
3.3 Net Payments	10
3.4 Marketing Fee	10
3.5 Technology Fee & Annual Software Training Fee	10
3.6 Construction Management Service Fee	11
3.7 Reimbursement of Costs	11
3.8 Late Fees and Interest	11
3.9 Application of Payments	11
3.10 Method of Payment	11
3.11 Payment of Taxes	12
3.12 No Referral Fee, Gratuities, or Gifts	12
4. TRAINING AND ASSISTANCE	12
4.1 Initial Training and Center Administrator	12
4.2 Ongoing Training; Training of Replacement Personnel	13
4.3 General Guidance	14
4.4 Operations Manual	14
4.5 Delegation of Performance	14
5. MARKS	15
5.1 Ownership and Goodwill of Marks and System	15
5.2 Limitations on Your Use of Marks	15
5.3 Notification of Infringements and Claims	15
5.4 Discontinuance of Use of Marks	16
5.5 Indemnification for Use of Marks	16

6.	CONFIDENTIAL INFORMATION	16
7.	EXCLUSIVE RELATIONSHIP	18
8.	SYSTEM STANDARDS	18
8.1	Condition and Appearance of your Center	18
8.2	Center Services, Specifications, Standards and Procedures	19
8.3	Approved Products and Suppliers	19
8.4	Compliance with Laws, Licensure Regulations, and Good Business Practices	20
8.5	Management of your Center/Conflicting Interests	21
8.6	Insurance	21
8.7	Compliance with System Standards	22
8.8	Modification of System Standards	23
9.	MARKETING	24
9.1	Marketing Contributions and Expenditures	24
9.2	Marketing Fund	24
9.3	By You	26
9.4	Grand Opening Spend Requirement	26
9.5	Market Cooperative	27
9.6	Approvals	27
9.7	Websites	28
10.	RECORDS, REPORTS, AND FINANCIAL STATEMENTS	28
11.	INSPECTIONS AND AUDITS	29
11.1	Our Right to Inspect your Center	29
11.2	Our Right to Audit	29
12.	TRANSFER	30
12.1	By Us	30
12.2	By You	30
12.3	Conditions for Approval of Transfer	31
12.4	Your Death or Disability	32
12.5	Our Right of First Refusal	33
12.6	Effect of Consent to Transfer	33
13.	EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE	33
14.	TERMINATION OF AGREEMENT	34
14.1	Automatic Termination	34
14.2	Termination Upon Notice Without Opportunity to Cure	35
14.3	Termination With Opportunity to Cure	36
14.4	Extended Notice of Termination	37
14.5	Remedies other than Termination	37
15.	OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT	37
15.1	Cease Operating and Payment of Amounts Owed to Us	37
15.2	Marks	37

15.3	Confidential Information	38
15.4	Covenant Not to Compete	38
15.5	Our Right to Purchase Certain Assets of your Center	39
15.6	Continuing Obligations	40
15.7	Lost Revenue Damages	40
16.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION	41
16.1	Independent Contractors	41
16.2	No Liability for Acts of Other Party	41
16.3	Taxes	41
16.4	Indemnification	41
17.	ENFORCEMENT	42
17.1	Severability and Substitution of Valid Provisions	42
17.2	Waiver of Obligations	42
17.3	Costs and Attorneys' Fees	43
17.4	Rights of Parties are Cumulative	43
17.5	Mediation and Arbitration	43
17.6	Governing Law	45
17.7	Consent to Jurisdiction	45
17.8	Waiver of Punitive Damages, Class Action, and Jury Trial	45
17.9	Limitations of Claims	46
18.	OUR DISCRETION AND JUDGMENT	46
19.	CONSTRUCTION	46
20.	BINDING EFFECT	47
21.	NOTICES AND PAYMENTS	47
22.	COMPLIANCE WITH ANTI-TERRORISM LAWS	48
23.	SECURITY INTEREST	48
24.	NO RECOURSE AGAINST NON-PARTY AFFILIATES	48
25.	SAFETY	48
26.	ACKNOWLEDGMENTS	49

EXHIBITS

EXHIBIT A	TERRITORY, INITIAL FEE AND ROYALTY
EXHIBIT B	SITE SELECTION ADDENDUM
EXHIBIT C	LISTING OF OWNERSHIP INTERESTS
EXHIBIT D	EDTA FORM
EXHIBIT E	GUARANTY AND ASSUMPTION OF OBLIGATIONS
EXHIBIT F	REPRESENTATION AND ACKNOWLEDGEMENT STATEMENT
EXHIBIT G	SAMPLE LEASE ADDENDUM

AFC FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of the ____ day of _____, 20____ (the “**Effective Date**”) (regardless of the dates of the parties’ signatures) by and between: **AFC FRANCHISING, LLC**, an Alabama limited liability company located at 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” “**us**,” or “**our**”), and _____, a _____, whose principal business address is _____ (**you**” or “**your**”).

PREAMBLES AND BACKGROUND

A. We and our affiliates operate and grant franchises for the operation of urgent and accessible primary care management businesses that are developed and operated using business formats, methods, procedures, designs, layouts, standards, and specifications that we specify and may continue to develop and modify (collectively, the “**System**”), are identified by a common business name and trademark (currently, “**AMERICAN FAMILY CARE**”) and use certain other brand names and other trademarks, service marks and commercial symbols and trade names that we authorize from time to time (collectively, the “**Marks**”), and provide certain prescribed or approved non-medical services to patients of the Centers and to a professional medical entity (the “**PC**”) and, through the PC, arrange for the provision of urgent and primary patient care and other health and wellness services such as treatment for certain physical injuries, infections, colds, flu, and certain other medical conditions; conducting lab tests, X-rays, and certain other diagnostic tests; administering certain vaccines; prescribing and dispensing certain medicines; and providing other related products and services (collectively, “**Urgent and Primary Care Services**”), all of which are provided and supervised at the Centers by licensed physician(s) (each such business being referred to herein as a “**Center**”).

B. We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a Franchise (as defined below) to own and operate a Center using our System and the Marks.

C. ~~Based on your own investigation and diligence, y~~You have applied to us to acquire a Franchise for the Center. Your application has been approved by us in reliance upon all of the representations made in your application, including regarding your and your owners’ business experience, liquidity, and financial condition. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System’s high standards of quality and service and the uniformity of those standards at all the Centers, and thereby, you agree to protect and preserve the goodwill of the Marks.

CERTAIN DEFINITIONS

Capitalized terms used but not otherwise defined in this Agreement have the meaning as described below:

“**Allowances**” – means allowances, rebates, credits, monies, payments or benefits that are offered by suppliers to us based upon your purchases of required products and services.

“**Annual Software Training Fee**” – as defined in Section 3.5.

“**Business Support Services Agreement**” – means the support services agreement that you enter into with a PC prior to opening commencing operation of your Center as required in Section 1.2 below.

“Center” – as defined in Recital A.

“Center Administrator” – means the person who oversees the day-to-day operations of your Center.

“Central Billing Services” – means our designated service provider that performs central billing and collection for all or a portion of the medical services rendered at or from the Centers.

“Claims” – means all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party incurs in defending itself, including reasonable accountants’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, whether or not it has commenced.

“Construction Management Services Fee” – as defined in Section 3.6.

“Competitive Business” – means (i) any urgent or primary care center, or a business that offers or provides urgent and/or primary care or management services for an urgent care center, or any other product or service or management service that is similar to the services and products authorized to be offered, sold or provided under the Marks and the System; or (ii) any business that grants franchises or licenses to others to operate the type of business specified in this Agreement.

“Computer System” – means the computer hardware, operating software, and communications capabilities we specify.

“Confidential Information” – means all non-public or proprietary information that our franchisees may be provided with or have access to in connection with the development or operation of the Centers, including our trade secrets; patents; information in the manuals; the System; the System Standards; knowledge of the operating results and financial performance of the Centers, including your Center; site selection criteria; training and operations materials; knowledge of specifications for, and supplier of, all products and services used in the development and operation of the Centers; knowledge of specifications for, and vendors of, Products and other products and supplies; market research, promotional, marketing and advertising programs for the Centers; any software or other technology which is proprietary to us, our affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other materials generated by, the software or other technology; personal information of your Center’s customers to the extent permitted under the Health Insurance Portability and Accountability Act of 1996 and its enabling regulations as they may be amended from time to time (“HIPAA”) and other applicable laws; and any other information designated as confidential or proprietary by us.

“Disability” – means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Principal from supervising your Center’s management and operation.

“EDTA” – means Electronic Depository Transfer Account is the manner in which you will remit all payments due to us during the term of this Agreement.

“Effective Date” – as defined in the opening paragraph.

“Entity” – means corporation, limited liability company, general or limited partnership or legally recognized form of organized business structure.

“Franchise” – means the license that we grant you to develop and manage a Center at the Premises.

“Grand Opening Spend Requirement” – as defined in Section 9.4.

“Immediate Family Members” – means spouses, domestic partners, children 18 years old or older, and such other persons as we specify.

“Indemnified Parties” – means us, our parent, affiliates, and subsidiaries and each of the foregoing person’s owners, members, shareholders, directors, officers, employees, agents, successors, assignees, and designees.

“Lost Revenue Damages” – as defined in Section 15.7.

“Licensed Persons” – as defined in Section 1.2.

“Marketing Expenditure Cap” – as defined in Section 9.1.

“Marketing Fee” – as defined in Section 3.4.

“Marketing Representative” – as defined in Section 4.1.

“Marketing Notice” – as defined in Section 9.1.

“Manual” – means the operations manual that we provide to assist you in setting up and establishing the operations of your Center.

“Marks” – as defined in Recital A.

“Measurement Period” – as defined in Section 15.7

“Net Payments” – means all revenue that you actually collect and receive from operating your Center, regardless of the form of such revenue or whether or not derived in compliance with this Agreement, including all revenue received from the PC and/or pursuant to the Business Support Services Agreement, all services and products sold by you or your Center, all amounts that you receive at the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. In the event the PC fails to pay you any revenues that it is obligated to pay you under the Business Support Services Agreement, the amounts that it fails to pay you shall nonetheless be included in the calculation of Net Payments.

“Opening Date” – means the date on which you actually commence business at or from your Center in accordance with this Agreement.

“Opening Deadline” – means the earlier of 90 days after the date on which we accept the Premises or the 1st anniversary of the Effective Date.

“Operating Assets” – means fixtures, furniture, Computer System, other equipment (including medical and diagnostic equipment, fax machines, point-of-sale system and other technology systems), furnishings, signs, and certain other goods and services that we designate from time to time in connection with the development and operation of your Center.

“Operating Principal” – means a direct Owner, who is a natural person, that you designate and we approve to be responsible for overseeing and supervising the operation of your Center.

“Owner” – means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in any Entity.

“PC” – as defined in Recital A.

“Personal Information” – as defined in Section 6.

“Plan” – means the advertising and marketing plan that we approve for your Center.

“Premises” – the location that we accept for your Center.

“Restricted Information” – as defined in Section 6.

“Required Marketing” – as defined in Section 9.1.

“Royalty” – means the recurring royalty fee that you agree to pay us equal to the percentage set forth on Exhibit A of your Center’s Net Payments.

“System” – as defined in Recital A.

“System Standards” – means the mandatory specifications, standards, operating procedures, and rules that we prescribe for the development, management, and operation of the Centers as referenced in Section 8.

“Technology Fee” – as defined in Section 3.5.

“Technology Fee Cap” – as defined in Section 3.5.

“Term” – means ten (10) years from the Opening Date, unless terminated sooner in accordance with this Agreement.

“Territory” – as defined in Section 1.3.

“Urgent and Primary Care Services” – as defined in Recital A.

“your Center” – as defined in Section 1.1..

“Website” – as defined in Section 5.2.

1. GRANT OF FRANCHISE; TERRITORY

1.1 Grant of Franchise

Subject to terms and conditions set forth in this Agreement, we hereby grant you the right and obligation to develop, own, and operate a Center at the Premises identified in Exhibit A or that we subsequently approve as described in this Agreement. The Center that you will develop, own, and operate pursuant to this Agreement is referred to as **“your Center.”** You will develop, own, and operate your Center at the Premises in accordance with the System and the System Standards for the entire Term, unless sooner terminated as provided herein. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently and to use your best efforts to promote your Center.

1.2 Professional Corporation Under Management; Services

Prior to commencing the operations of your Center, you must enter into a Business Support Services Agreement with a PC that is approved or designated by us. Pursuant to the Business Support Services Agreement, you will provide to the PC certain non-medical administrative services consistent with the System Standards to support the PC's provision of Urgent and Primary Care Services at your Center in a manner consistent with all applicable laws and regulations. The PC will employ, control, and make available to your Center such number of licensed healthcare personnel, including physicians, nurses, nurse practitioners, X-ray and lab technicians, pharmacists, etc. (collectively, "**Licensed Persons**") that are necessary to provide, supervise, and administer Urgent and Primary Care Services. You will not supervise, control, provide, or administer any Urgent and Primary Care Services or supervise, direct, control, or make suggestions regarding the manner in which the PC or the Licensed Persons provide Urgent and Primary Care Services to the patients. YOU ACKNOWLEDGE AND AGREE THAT WE AND OUR AFFILIATES DO NOT AND WILL NOT SUPERVISE, PROVIDE, ADMINISTER, OR CONTROL THE SUPERVISION, PROVISION, OR ADMINISTRATION OF, ANY URGENT AND PRIMARY CARE SERVICES, INCLUDING THOSE THAT ARE PROVIDED BY THE PC AND THE LICENSED PERSONS.

Upon your request, we may provide you with our standard form of Business Support Services Agreement. We make no representation or warranty that our standard form of Business Support Services Agreement complies with applicable laws, including those governing corporate practice of medicine. You are responsible for independently engaging your own legal counsel to review, negotiate, and advise you of the merits and risks of your Business Support Services Agreement. At least 30 days prior to its execution, you must submit to us, for our review and approval, a copy of your proposed Business Services Agreement. You must obtain our written approval of the final Business Support Services Agreement and all subsequent modifications prior to their execution. If we approve your proposed Business Support Services Agreement, we do so for our own purposes, and we make no representation or warranty as to its compliance with applicable laws or its terms for your purposes. We recommend you obtain the advice of your own professional advisors before signing the Business Support Service Agreement. You must provide us with the fully executed (by all parties) copy of the Business Support Services Agreement (together with all exhibits) prior to commencing operation of your Center but, in no event, later than ten (10) days after its execution. You must have a Business Support Services Agreement in effect with a PC that is approved or designated by us at all times during the operation of your Center.

1.3 Limited Territorial Rights

If we have not accepted a Premises for your Center as of the Effective Date, then after we accept the Premises for your Center, we will describe your protected territory in Exhibit A (the "**Territory**"). Except as provided for in this Agreement, and provided that you are in full compliance with this Agreement, we will not operate or grant others the right to operate a Center within the Territory during the term of this Agreement.

1.4 Rights We Reserve

Notwithstanding anything to the contrary, we and our affiliates reserve and retain all rights that are not granted to you under this Agreement, without any obligation to compensate you for exercising such rights. Our reserved rights include:

(a) the right to establish and operate and to grant others the right to establish and operate Centers using the System Standards and the Marks outside the Territory regardless of proximity to your Center;

(b) the right to establish and operate and to grant others the right to establish and operate anywhere in the world (including in your Territory) any other business that is not a Center, even if such business offers and sells products and services that are the same as or similar to the products or services offered by your Center;

(c) the right to use and to grant others the right to use the Marks and System, and any other trademarks and systems, to offer and sell anywhere in the world (including in your Territory) any products or services, whether or not the same as or similar to the products and services you are authorized to offer and sell at your Center, through any channel or method of distribution that is not a Center in your Territory, including, without limitation, telehealth, mail order pharmacy services, home healthcare, mobile-labs, internet-based and at-home services, and other health, wellness and related products and services;

(d) the right to acquire the assets of or ownership interests in businesses, or be acquired by businesses that operate, and/or have granted franchises, licenses, or similar rights to third parties to operate businesses similar to and/or competing with Centers, even if such businesses operate, franchise and/or license competitive businesses anywhere, including in the Territory. We or our affiliates may convert such businesses to Centers and/or permit them to continue to operate under another name regardless of their locations; and

(e) the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, Centers, and the services and products offered by or at the Centers, and authorize others to do so (via the internet or similar electronic media) or be received by prospective customers located anywhere, including within the Territory.

1.5 Modification of System

You understand and agree that we may periodically change the System and the System Standards in any manner that is not expressly and specifically prohibited by this Agreement, and we have no obligation to compensate you for any expenses that you may incur in adapting your Center and its operations in accordance with the revised System and System Standards.

1.6 Corporation, Limited Liability Company, or Partnership

If you are at any time an Entity, you agree and represent that:

(a) you have the authority to execute, deliver, and perform your obligations under, this Agreement and all related agreements;

(b) you are duly organized or formed, validly existing, and in good standing under the laws of the state of your incorporation or formation;

(c) you will not alter, change, or amend your organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining our prior written approval;

(d) your organizational documents, operating agreement, partnership agreement, or stock certificates, as applicable, acknowledge that this Agreement restricts the issuance and transfer of

any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(e) Exhibit C to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date, and you will sign and deliver to us revised Exhibit C to reflect any permitted changes in the information that Exhibit C now contains;

(f) each of your Owners holding over ten percent (10%) ownership interest during this Agreement's term will execute a guaranty in the form attached hereto as Exhibit E, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

(g) the Operating Principal, as of the Effective Date, is identified in Exhibit C. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person from your Entity that we will recognize as having authority to communicate for and on your behalf and on behalf of your Entity. You may not change the Operating Principal without our prior written consent, which we will not unreasonably withhold provided that the proposed new Operating Principal meets our then-current qualifications and standards and successfully completes our then-current training programs as we may require; and

(h) your Center will be the only business that the Entity may operate and own, and your organizational documents must reflect this covenant.

2. OPENING OF CENTER, LOCATION ACCEPTANCE, LEASE OF PREMISES, AND DEVELOPMENT

2.1 Location Acceptance

You must lease, sublease, or acquire the Premises for your Center in accordance with the timing and procedures set forth in, and subject to our approval in accordance with, the Site Selection Addendum attached hereto as Exhibit B ("**Site Selection Addendum**").

You agree to obtain our acceptance in writing of your Center's proposed Premises before signing any lease, sublease, or other document for the site; however, you must secure the possession of the Premises of your Center within two hundred seventy (270) days of the Effective Date of this Agreement.

As a condition to our acceptance of the lease for the Premises, we may require the lease to include certain provisions that we periodically require to protect and maintain the American Family Care brand and the System. If the landlord of your Center requires changes to our standard lease addendum, ~~a copy of which is annexed to the Manual~~ (attached as Exhibit G hereto), you must pay us a lease review fee of \$1,000 to offset the expenses we incur to conduct the review. If we accept the lease for your Center, we do so for our own purposes, and we make no representation or warranty as to the quality or suitability of the lease or its terms for your purposes. We recommend you obtain the advice of your own professional advisors before signing it. You must provide us with the fully executed (by all parties) copy of the Lease (together with all exhibits) within ten (10) days after its execution.

You must operate your Center only from the Premises accepted by us, and you may not relocate your Center except with our prior written consent. The Premises may be used only for the operation of your Center. You shall not allow the Premises of your Center to be used for any other purpose.

2.2 Center Development

You are responsible for developing your Center in a timely manner and all costs associated with it. We will provide you our System Standards, which will include then-current prototypical plans showing the standard layout and placement specifications for the Centers, the list of Operating Assets, and the names of our then-current approved or designated suppliers for the Centers. While we, our affiliates, or our designated or approved vendors may provide you with guidance on various aspects of development and operation of your Center, it is entirely your responsibility to develop your Center in compliance with the System Standards and all applicable laws, including to:

- (a) propose any required modifications to our architectural plans and specifications for your Center, including requirements for dimensions, exterior design, materials, interior layout, equipment, fixtures, furniture, signs, and decorating, consistent with applicable ordinances, building codes, and permit requirements;
- (b) obtain all required zoning changes; all required building, driveway, utility, health, sanitation, and sign permits and any other required permits;
- (c) purchase and arrange for the installation of all Operating Assets; and
- (d) complete the construction and/or remodeling of the Premises, equipment, fixture, furniture, and sign installation and decorating of your Center.

2.3 Operating Assets

You agree to use in operating your Center only those Operating Assets that we approve and from the suppliers that we approve or designate periodically as meeting our specifications and standards for quality, design, appearance, function, and performance; provided, that you and we acknowledge and agree that the selection and use of any equipment and products used in connection with the Urgent and Primary Care Services provided by the PC to the patients will, to the extent required by applicable laws, be subject to the PC's approval based on the professional opinion of the Licensed Persons. You agree to place or display at the Premises of your Center only the signs, lettering, logos, and display materials that we approve, subject to, and only in strict compliance with, applicable laws governing the operation, management, and advertising of, or for an urgent and primary care center.

2.4 Computer System

Without limiting the generality of Section 2.3, you agree to obtain and use in the operation of your Center the Computer System that we specify. We may from time to time modify specifications for and components of the Computer System. You agree to maintain and monitor the email addresses that we provide to your Center and certain of its personnel. You acknowledge that we will have access to and the right to review all emails sent or received via email addresses we provide, and you agree that you and your employees and contractors have no expectation of privacy with respect to any such emails. You agree to obtain high-speed communications access, such as broadband or DSL, or other high-speed capacity that we may periodically specify. We may, from time to time, modify the specifications for the Computer System and require you to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities. Within sixty (60) days after you receive notice from us, you agree to obtain and install such new or modified Computer System components that we designate. Although we cannot estimate the future costs of the Computer System or required service or support, you

agree to incur the costs of obtaining the computer hardware, software, and/or communications capabilities comprising the Computer System (or additions and modifications) and required service or support.

We may retain a third-party provider or an Applications Service Provider (ASP) to provide some or all of the computer-related services and support for your Center, and require you to pay an ASP hosting fee to us or directly to such third-party. You will be responsible for any costs that you incur in connection with the Computer System.

You agree that we may condition any license of proprietary or other software and technology to you, or your use of technology that we develop or maintain, upon your signing a software license agreement or similar document with us, our affiliates, or an approved or designated vendor.

You will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer System that might hamper or interfere with the operation of the Computer System in the manner we require.

We have the right to specify in the Manual, or otherwise in writing, the information that you must collect and maintain through the Computer System and to do so at the intervals we designate. Subject to any applicable laws pertaining to the privacy of consumer, hiring of personnel, and transactional information, including but not limited to HIPAA, you agree to provide us and our designees such reports and information in connection with the operation of your Center that we may reasonably request. You agree to allow us to have independent access to the information generated or stored on your Computer System. During any periods that we have independent access, we may access the Computer System as we deem appropriate (including on a continual basis), and retrieve all information concerning your Center's operation, subject to your and our compliance with HIPAA or other applicable law relating to confidentiality of patient records.

2.5 Opening of Center

You agree not to open your Center until:

(a) we notify you in writing your Center meets our standards and specifications (although such notification is not a representation or warranty, express or implied, that your Center complies with all applicable laws, including, any licensing, labor, building, fire, occupational, landlord's insurance, safety, governmental, or other statutes, rules, regulations, requirements, or recommendations, nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(b) you have received all required state and local government certifications, permits, and licenses necessary for the operation of your Center, and the PC has certified to you that it has received all required state and local government certifications, permits and licenses necessary for providing Urgent and Primary Care Services at your Center, including any required permits, licenses, and certifications for its personnel;

(c) you, your Operating Principal, your Center Administrator, and other personnel (if any) have satisfactorily completed all training that we require for each such person;

(d) you have paid the initial franchise fee and other amounts then due to us and our affiliates;

(e) you have executed all agreements required prior to the opening of your Center, including this Agreement, the lease for the Premises, the Business Support Services Agreement, and any software license agreements, and provide us with fully executed copies of those agreements;

(f) you are not in default under or in violation of any agreements by and between you and us, our affiliates, or any supplier; and

(g) you provide us certificates of insurance for all required insurance policies.

Subject to your compliance with these conditions, you agree to open your Center on or before the Opening Deadline.

3. FEES

3.1 Initial Franchise Fee

You agree to pay us in lump sum a nonrecurring initial franchise fee, in the amount set forth in Exhibit A. This fee is due, and fully earned by us, when you sign this Agreement. The initial franchise fee is non-refundable.

3.2 Royalty Fee

You agree to pay us, in the manner provided below (or as the Manual otherwise prescribes), a recurring Royalty, based on the calculations set forth in Exhibit A. As of the Effective Date, we require that the Royalty must be transmitted by automatic, electronic debit of funds on a weekly basis, on or before the Wednesday immediately following the previous week (with each week beginning on a Monday and ending on a Sunday), based on the Net Payments from the preceding week; however, we may periodically change the measurement period for calculation of the Royalty, its due date, and the form and manner in which it is paid to us.

Notwithstanding anything to the contrary, if any applicable law prohibits or restricts in any way your ability to pay, or our ability to collect, Royalty or other amounts based on Net Payments derived from the operation of your Center, then we reserve the right to modify your payment obligations to us under the Agreement and revise the applicable provisions hereunder in order to provide the same basic economic effect to both us and you as currently provided in the Agreement. In such event, you agree to execute the appropriate document(s) in the form we prescribe to give effect to or take account of such revisions.

3.3 Net Payments

To the extent your required Net Payments report includes sales or revenue not received or includes sales or revenue that is refunded at a later date to a patient, we will apply an appropriate credit toward a future payment. In the event that the PC fails to pay you any revenues that it is obligated to pay you under the Business Support Services Agreement, the amounts that it fails to pay you shall nonetheless be included in the calculation of Net Payments.

3.4 Marketing Fee

You agree to pay us a recurring advertising and marketing fee (the “**Marketing Fee**”) in an amount equal to one percent (1%) of your Center’s Net Payments, payable in the same manner as Royalty; however, we have the right, at any time and on notice to you, to change the Marketing Fee amount subject to the Marketing Expenditure Cap defined in Section 9.1 below. We will allocate the Marketing Fee to the Marketing Fund.

3.5 Technology Fee & Annual Software Training Fee

You also agree to pay us a recurring technology fee (the “**Technology Fee**”) for any technology support or services that we or our affiliates provide to you either directly or through third-parties. As of the Effective Date, the Technology Fee is \$275 per month. We may, upon notice to you, change the frequency of payment of Technology Fee or the amount of the Technology Fee; however, if you are in compliance with this Agreement, then we will not increase the Technology Fee by more than one percent (1%) of your Center’s Net Payments (“**Technology Fee Cap**”). Notwithstanding anything to the contrary, it is your responsibility to provide us with written notice if the amount of the Technology Fee mandated by us exceeds the Technology Fee Cap. If you are in compliance with this Agreement and the amount of the Technology Fee mandated by us exceeds the Technology Fee Cap, then you may upon providing written notice to us pay the reduced Technology Fee in an amount equal to two percent (2%) of your Center’s Net Payments.

In addition to charging the Technology Fee, we also reserve the right to charge you an annual fee (the “**Annual Software Training Fee**”) for providing or facilitating compliance training in connection with your use of certain required software. As of the Effective Date, the Annual Software Training Fee is \$2400 per year per Center; however, we may increase it based on our third-party costs.

3.6 Construction Management Service Fee

If this Agreement is signed in connection with your first or second Center, then you must pay us a lump sum fee of \$50,000 (the “**Construction Management Services Fee**”) for our or our affiliates’ or other designated providers’ assistance in overseeing the development of your Center, including site selection, selection and appointment of an architect and general contractor, review of construction bids, supervision of construction, and general oversight of the construction process. The Construction Management Services Fee is for our and our affiliates’ services and not for any expense that may you incur in connection with the development of your Center.

3.7 Reimbursement of Costs

Unless otherwise expressly provided in this Agreement or agreed upon by us in writing, you must reimburse us and our affiliates for all costs that we or they incur on your behalf, including, the data extraction cost that we may incur if we make a data extraction request for your Center to the electronic medical record provider.

3.8 Late Fees and Interest

All amounts which you owe us or our affiliates for any reason will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for late fees

and interest. You acknowledge that this Section 3.8 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Center.

3.9 Application of Payments

We may apply any of your payments to any of your past due indebtedness to us as we determine regardless of your designation for such payment. We may set off any amounts you owe us or key suppliers against any amounts we owe you. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3.10 Method of Payment

Before your Center opens, you agree to sign and deliver to us the EDTA documents we require to authorize us to debit your business checking account automatically for the Royalty, Marketing Fund contributions, and other amounts due under this Agreement and for your purchases from us. We will debit the EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. Our access to your business checking account by EDTA shall be utilized by us only for your payments required under this Agreement.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit whenever we deem appropriate. You agree to comply with our payment instructions as they may be modified from time to time. You must comply with all of our payment policies, procedures, and requirements, as described in the Manual.

3.11 Payment of Taxes

You must pay in a timely manner all local, state, and federal sales, business, property, goods and services taxes and all other taxes, and fees levied or assessed by any governmental authority directly or indirectly in connection with your Center.

3.12 No Referral Fee, Gratuities, or Gifts

Any payment made by you to us or our affiliates pursuant to this Agreement or any other agreement will not amount to payment for the referral of customers or patients to you, and you acknowledge and agree that the services we and our affiliates offer do not include the referral of customers. Neither you nor your Owners will make or offer any gratuity, gift, personal service, favor, or other preferential treatment of any kind to us, our affiliates, our or our affiliates' Owners or employees, or family members of our or our affiliates' Owners or employees. The foregoing does not include reasonable food and beverage or other customary courtesies.

4. TRAINING AND ASSISTANCE

4.1 Initial Training and Center Administrator

We will conduct an initial training program for you or your Operating Principal, which will address the material aspects of managing and operating your Center. We will provide the initial training program at our headquarters or at a designated training facility of our choice at no charge to you or your initial Operating Principal and certain other persons who we may require to attend such training. We reserve the right to charge an initial training fee (which will not exceed \$750 per person) for anyone else that attends initial training or if we provide initial training to your replacement Operating Principal. You

agree to pay for all travel and living expenses that you and your trainees will incur and for all of your trainees' wages and workers' compensation insurance during training.

You must hire and retain at least one (1) Center Administrator before you open your Center. We require that your Center Administrator complete certain initial training that we provide, although we do not require your Center Administrator to attend the initial training at our headquarters. We do not charge any fee for providing initial training to your initial Center Administrator; however, we may charge a reasonable fee (which will not exceed \$1,500 person) for providing initial training to your replacement or additional Center Administrators. You are responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, your Center Administrators attending the initial training program.

You, your Operating Principal, and other required trainees that we designate from time to time must complete the initial training to our satisfaction, failing which, we may require such person to repeat the course or send a substitute to complete the next available training program. We reserve the right to charge a reasonable fee for substitute personnel that attend the next training program. If we determine that you, your Operating Principal, and other required trainees cannot complete initial training to our satisfaction, we may terminate this Agreement. Among the current criteria for satisfactory completion of training are attendance at all training classes, passing all interim and final tests and exams, and demonstrating a capability and willingness to comply with System Standards.

No later than thirty (30) days before you open your Center, you must also hire, and thereafter retain, one person as a full-time, paid personnel who will devote their full-time and best efforts to marketing and promoting your Center (a "Marketing Representative"). Your Marketing Representative must be sufficiently qualified and capable of performing marketing activities for your Center in compliance with applicable laws and the System Standards. The Marketing Representative must participate in and successfully complete such training and certification programs as we may specify and must do so in the time frames we specify. We may charge a fee for providing training to your Marketing Representative. You agree to pay all travel and living expenses which your Marketing Representative incurs to attend the training courses and programs.

On your reasonable request, or if deem appropriate to provide any training at your Center, then you agree to pay us a fee of up to \$1,500 per trainer and reimburse us for all cost of travel, lodging, and meals for our trainers.

All management personnel of your Center, including Center Administrators and any other personnel that we designate, must meet minimum qualifications, receive such certification(s), and complete any training programs that we may require, prior to managing your Center or training other personnel. If, at any time during the term of the Franchise Agreement, we learn or determine that a person is regarded as no longer complying with our standards and procedures, then we may require that person satisfactorily complete training or a re-training program. We reserve the right to charge you for providing such remedial training to any of your personnel.

In addition, all management personnel and other personnel working at your Center must satisfactorily complete all state and local government required training and must meet all required licensing and certification requirements.

Prior to the opening of your Center, we will, at our cost, send one of our representatives to your Center for a period of three (3) days to assist with preopening and opening of your Center. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay us \$1,500 per day per trainer and reimburse the travel and living expenses incurred by our trainers in providing such additional opening assistance. Notwithstanding the foregoing, if you are a

multi-unit operator, you may have the Marketing Representative cover more than one franchised location; and you may be exempt from the initial training program.

4.2 Ongoing Training; Training of Replacement Personnel

We may require you or your Operating Principal, your Center Administrator, your Marketing Representative, and/or other personnel to attend and complete satisfactorily various training courses, conventions, meetings, and conferences that we periodically designate or choose to provide at the times and locations that we may specify from time to time. We may charge reasonable registration or similar fees for courses, conventions, meetings, and conferences organized by us or our affiliates organize. You agree to pay all costs including all registration costs, travel and living expenses and wages that you and your trainees incur in attending such trainings, conventions, meetings, and conferences.

We require that your replacement Center Administrators satisfactorily complete such training programs as we may require for center administrators before they start working at your Center. You are responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, you and your trainees attending such periodic conventions, regional meetings, and conferences.

On your reasonable request, or if deem appropriate to provide any training at your Center, then you agree to pay us a fee of up to \$1,500 per day per trainer and reimburse us for all cost of travel, lodging, and meals for our trainers.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue or modify from time to time.

4.3 General Guidance

We will advise you regarding your Center's operation based on your reports to us and/or our direct or indirect observations, and we will provide guidance to you with respect to: (1) standards, specifications, and operating procedures and methods regarding management of your Center; (2) advertising and marketing materials and programs; (3) training and recruiting programs; (4) administrative, bookkeeping, and accounting procedures; and (5) certain other aspects of your Center's operation from time to time. We may assign a business consultant to your Center, who will provide you with ongoing guidance regarding the operation of your Center. If we assign a business consultant to your Center, then such person will be your point of contact with us.

We will also provide guidance regarding your Center's operations in our Manual; in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our training facility or at your Center. If you request, and we agree to provide, additional or special guidance, assistance, or training outside of the duties of the Business Consultant, you agree to pay our then-applicable charges, including our personnel per diem charges and travel and living expenses.

We may provide you with an opening consultant who will facilitate and oversee the clinic opening process for your Center. If we provide you with an opening consultant, the opening consultant will coordinate between you and us.

YOU ACKNOWLEDGE AND AGREE THAT WE AND OUR AFFILIATES DO NOT AND WILL NOT PROVIDE ANY TRAINING OR GUIDANCE REGARDING PROVISION, SUPERVISION, OR ADMINISTRATION OF URGENT AND PRIMARY CARE SERVICES.

4.4 Operations Manual

During the Term, we will provide you with access to our Manual applicable to the development and operation of the Centers. We will determine the content of the Manual, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to you. The Manual contains our System Standards that we periodically prescribe for the management and operation of the Center, certain suggested practices, and other information regarding the development and operation of Centers. We may modify the Manual from time to time to reflect changes in System Standards.

You agree that the Manual's contents are confidential and that you will not disclose the Manual to any person other than Center employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

At our option, we may post some, or all, of the Manual on a restricted Website or extranet to which you will have access. If we do so, you agree to monitor and access the Website for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on a Website will be deemed to be part of the Confidential Information.

4.5 Delegation of Performance

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement. However, you cannot delegate the performance of any portion or all of your obligations under this Agreement without our prior written approval.

5. MARKS

5.1 Ownership and Goodwill of Marks and System

We have the right to license others to use the Marks and the System used in connection with the development and operation of the Centers. Your right to use the Marks and the System is derived only from this Agreement and limited to your operation of your Center pursuant to this Agreement and all System Standards. Your unauthorized use of the Marks and the System is a breach of this Agreement and infringes on our and our affiliates' intellectual property rights. You acknowledge and agree that your use of the Marks and the System, and any goodwill established by that use, are exclusively for our and our affiliates' benefit and that this Agreement does not confer any goodwill or other interests in the Marks and the System upon you. All provisions of this Agreement relating to the Marks and the System apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's Term, use the Marks or the System, or contest or assist any other person in contesting the validity of our ownership of the Marks or the System.

5.2 Limitations on Your Use of Marks

You agree to use the Marks as your Center's sole identification, except that you agree to identify yourself or the Entity as its independent operator of your Center in the manner we prescribe. Your use of the Marks will be limited to uses related to the non-medical administrative support services that you provide the PC of your Center, and may not in any way, explicitly or implicitly, relate to the provision of any Urgent and Primary Care Services. You may not use any Mark and the System, any derivatives of the Marks and the System, or similar mark: (1) as part of any corporate or legal business name, (2) with any

prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, webpage, electronic address, or otherwise in connection with a website or presence on any electronic, virtual, or digital medium of any kind on the world wide web or the Internet (collectively, “**Website**”), or (5) in any other manner that we periodically disapprove or have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of your Center, your rights in this Agreement, or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at your Center and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.3 Notification of Infringements and Claims

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark or the System, or of any person’s claim of any rights in any Mark or the System, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark or other proceeding or otherwise to protect and maintain our interests in the Marks and the System. Subject to your compliance with this Agreement, we will reimburse you for all reasonable costs of taking any action that we have asked you to take.

5.4 Discontinuance of Use of Marks

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark, the System, and/or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses of complying with our directions in that regard, for any loss of revenue due to any modified or discontinued Mark or the System, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights apply to any and all of the Marks (and any portion of any Mark) or aspects of the System that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason. You acknowledge both our right to take such action and your obligation to comply with our directions.

5.5 Indemnification for Use of Marks

Subject to your compliance with this Agreement, we agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have notified us immediately upon your becoming aware of and comply with our directions in responding to the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Manual, and other directives from us. At our option, we may defend or control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. CONFIDENTIAL INFORMATION

Between you and us, all Confidential Information, including such information related to your Center belongs to us. NOTWITHSTANDING ANYTHING TO THE CONTRARY, TO EXTENT ANY CONFIDENTIAL INFORMATION REGARDING YOUR CENTER OR YOUR CENTER'S CUSTOMERS CANNOT BE TRANSMITTED OR SHARED WITH US UNDER HIPAA, THEN THE AGREEMENT SHALL BE INTERPRETED SO AS TO COMPLY WITH SUCH LIMITATIONS.

You acknowledge and agree that you acquire no interest in the Confidential Information by virtue of this Agreement or otherwise, other than the right to use it as we specify in operating your Center during this Agreement's Term, and that the Confidential Information is proprietary and is disclosed to you only on the condition that you agree that you:

- (a) will not use Confidential Information in any other business or capacity;
- (b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during and after this Agreement's Term;
- (c) will not make unauthorized copies of any Confidential Information or improperly disclose or publish any portion of the Confidential Information in whatever form or format; and
- (d) will adopt and implement procedures, including those that we periodically prescribe, to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Center personnel and others and using non-disclosure agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You are obligated to maintain in your files those executed confidentiality agreements we specify and make them available to us upon request.

The restrictions on your disclosure and use of the Confidential Information will not apply to the: (i) disclosure or use of information, processes, or techniques which are generally known and used in your Center industry (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; (ii) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially; (iii) Restricted Information; and (iv) disclosure of your Center's operating results and financial performance to your existing and prospective lenders, and, provided they are bound by confidentiality obligations, to potential investors in you or purchasers of your Center.

All ideas, concepts, techniques, or materials relating to your Center, whether or not protectable intellectual property and whether created by or for you or your employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing an assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item. We and our Affiliates have no obligation to make any payments to you or any other person with respect to any innovations described in this Section, and you may not use such innovations in operating your Center or otherwise without our prior approval.

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, email addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric data, government-issued identification numbers and credit report information (collectively, “**Personal Information**”). You agree to not use, process, copy, display, publish, store, or transfer the Personal Information of any person without its prior written consent in compliance with the applicable laws.

During and after the Term, you (and your Owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Website; (b) assist us and our affiliates in complying with all our and their obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately of the breach or unauthorized access and specify the extent to which Personal Information was compromised or disclosed, and your plans to correct and prevent any further breach or unauthorized access. You must also promptly notify us if you receive any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or your compliance with your obligations relating to Personal Information under this Agreement, and/or if you have any reason to believe you will not be able to satisfy any of your obligations relating to Personal Information under this Agreement. You will allow us, at our discretion, to participate in any response or corrective action.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the “**Restricted Information**”): (a) any Personal Information of the employees, officers, contractors, Owners or other personnel of you, your affiliates, or your Center; (b) personal health information of the patients of the PC that is protected by HIPAA; and (c) such other Personal Information as we from time to time expressly designate as Restricted Information. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusivity responsibility for all Restricted Information, including establishing protections and safeguards for such Restricted Information; provided, that in each case you agree to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Information.

7. EXCLUSIVE RELATIONSHIP

You acknowledge that we have granted you the Franchise in consideration of and in reliance upon your agreement to deal exclusively with us. You therefore agree that during this Agreement’s term, you, your Owners, and any of your and your Owners’ Immediate Family Members will not directly or indirectly:

(a) own, maintain, operate, engage in, franchise or license, or have any direct or indirect interest in a Competitive Business, wherever located or operating (except that an equity ownership of less than five percent (5%) in a Competitive Business whose stock or other forms of

ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) be or perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of any Center to a Competitive Business;

(d) interfere or attempt to interfere with our or our affiliates' relationships with any vendors, franchisees, or consultants; or

(e) engage in any other activity which might injure the goodwill of the Marks or System or directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

8. SYSTEM STANDARDS

8.1 Condition and Appearance of your Center

(a) You will maintain the condition and appearance of your Center, its Operating Assets, and the Premises in accordance with System Standards and consistent with the image of a Center as an efficiently operated business offering high quality professional services and products and observing high standards of patient service and care, and providing efficient, courteous service, and will take, without limitation, the following actions during the term of this Agreement: (a) repainting, repairing, and refurbishing of the Premises at intervals we prescribe; (b) maintenance, repair or replacement of damaged, worn out or obsolete Operating Assets; (c) you may place or display at the Premises only those signs, photographs, artwork, logos, and display and advertising materials that we approve; and (iv) renovate, refurbish, remodel, or replace the real and personal property and equipment used at your Center when reasonably required by us or your PC.

(b) If at any time the general state of repair, appearance or cleanliness of the Premises or the Operating Assets does not meet our standards and specifications, we have the right to notify you specifying the action you must take to correct the deficiency. You will have ninety (90) days to comply with such notice. If you do not initiate action to correct such deficiencies within ninety (90) days after receipt of our notice, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us for any expenses we incur in connection therewith.

(c) On notice from us, you agree, at your expense, to remodel, expand, redecorate, reequip, and/or refurbish the Premises and your Center to reflect changes in the operations of your Center to comply with our then-current System Standards.

8.2 Center Services, Specifications, Standards and Procedures

You agree that: (1) your Center will provide all of products and services that we approve or designate for sale at your Center; (2) you will not offer for sale or sell at or from your Center, any services or products we have not approved; (3) we may at any time revoke our approval of services or products to be offered or sold at or from your Center, and you will discontinue selling and offering for

sale any services or products that we revoke or disapprove in writing; and (4) you will be responsible for the PC's operations in accordance with the Business Support Services Agreement.

8.3 Approved Products and Suppliers

You must purchase all Operating Assets and other products and services used in the development or operation of your Center from the manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as “**suppliers**”) that we specify or approve for all aspects of development and operation of your Center for which such suppliers provide goods or services, which may include or be limited to us or our affiliates.

We may, at our option, arrange with designated suppliers to collect or have our affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the suppliers on your behalf for such products or services. If we elect to do so, you agree that we or our affiliates may auto-debit your bank account for such amounts in the same manner and use the same authorization that you grant us with respect to payment of Royalty and other fees. We or any of our affiliates may derive revenue or profit from such transactions, which we and any of our affiliates may use without restriction.

We may concentrate purchases with one or more suppliers to obtain lower prices or advantageous support or services. Our approval of a supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier.

All products and services that you use to develop or operate your Center or make available at your Center must be approved by us and must conform to the specifications and quality standards established by us. We do not have a process whereby franchisees can seek approval of alternatives to our Approved Suppliers.

To the extent required by applicable laws, you will stock and maintain all types and quantities of medical equipment and materials required by the PC to meet reasonably anticipated customer demand. Additionally, requirements relating to equipment and products to be used in connection with medical services provided to patients by the PC will be subject to the PC's approval.

You acknowledge and agree that we may establish one or more preferred vendor programs with one or more nationally or regionally known suppliers who are willing to supply some or all Centers with some or all of the products and services that we require for use and/or sale in the development and operations of the Centers. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all products and services, and/or refuse any of your requests if we believe that this action is in the best interest of some or all the Centers. We will have unlimited rights to approve or disapprove the suppliers who may be permitted to sell products and services to you.

You acknowledge and agree that we will have the right to collect and retain all Allowances offered by suppliers to us based upon your purchases of Products. These Allowances may be based on System-wide purchases of Products. You assign to us or our designee all of your right, title and interest in and to any and all such Allowances and authorize us or our designee to collect and retain any and all such Allowances without restriction.

8.4 Compliance with Laws, Licensure Regulations, and Good Business Practices

(a) General. Notwithstanding anything to the contrary, you must develop and operate your Center in compliance with all applicable laws, secure and maintain in force all required licenses, permits and certificates relating to the operation of your Center and must operate your Center in full compliance with all applicable laws, ordinances and regulations, including, without limitation, HIPAA, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the staffing and management of an urgent care business. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. Your Center must, in all dealings with the patients of the PC, its suppliers, us, and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to the System and the goodwill associated with the Marks, the System, or the Centers. You must notify us in writing within five (5) days of (i) the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental agency, which may adversely affect your operation or financial condition or that of your Center and of any notice of violation of any law, ordinance, or regulation relating to your Center; (ii) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental agency relating to your Center; (iii) any notice that you or your Center may have violated any law, ordinance or regulation; and (iv) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from any patient.

(b) PCI Compliance. You agree to implement and maintain appropriate security measures consistent with the Payment Card Industry ("PCI") Data Security Standards, Payment Data Security Standards, and such other standards as may be required by us (collectively "**Data Security Standards**"), as further described in the Manual. Upon request, you shall provide us with proof of compliance with all Data Security Standards in a form acceptable to us. You covenant and agree to be and remain in compliance with all Data Security Standards, and will notify us immediately should you: (i) learn or have reason to believe that you are no longer in compliance with the Data Security Standards; (ii) reasonably anticipate that you are or will be noncompliant with the Data Security Standards; or (iii) undergo an adverse change in your certification or compliance status with respect to the Data Security Standards. Upon the occurrence of any of (i), (ii), or (iii), as set forth above, you will immediately provide us with a detailed plan to remediate non-compliance.

In the event you cannot provide validation of compliance with all required Data Security Standards in a form acceptable to us, we shall have the right to engage a Qualified Security Assessor ("QSA") to conduct an audit to determine your compliance with the Data Security Standards. All costs of such audit shall be paid by you. You shall, as soon as reasonably possible, implement any remediation measures recommended by the QSA in order to comply with all required Data Security Standards. You acknowledge that you are solely responsible at all times for the security of any payment account information or cardholder data in transit, at rest, or in your possession. A failure of yours to maintain compliance with all required Data Security Standards shall be considered a material breach and an event of default under this Agreement and we shall have the right to terminate this Agreement for cause.

8.5 Management of your Center/Conflicting Interests

You or your Operating Principal must manage and provide general oversight of your Center on a full-time basis. The PC will supervise, control, and manage the employees of your Center including hiring, firing, discipline, supervising direction of work, hours of work as well as wages. We will not have the right, obligation, or responsibility to control, supervise or manage yours and your Center's employees. For avoidance of doubt, neither our System nor the Manual will mandate personnel policies and procedures including those relating to hiring, firing discipline, wages, scheduling or other terms and conditions for yours or your Center's employees. You are solely responsible for establishing such policies and procedures. The Center Administrator will be charged with responsibility for direct supervision of your Center. Your failure to have your Center managed on a full-time basis by you or your Operating Principal is a default for which we may terminate this Agreement if such default continues for thirty (30) days after receiving notice from us. You must keep us informed at all times of the identity of any supervisory employee(s) acting as Center Administrator. The Center Administrator must devote his or her full-time and best efforts to the management and supervision of your Center.

8.6 Insurance

During the term of this Agreement, you must maintain in force at your sole expense maintain and require PC to maintain such types and limits of insurance coverages that we may require from time to time. Each insurance policy must have the minimum liability coverage we prescribe. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days prior written notice to us of a policy's material modification, cancellation, or expiration. You must routinely furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying of premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain such insurance for you and your Center on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus an administrative fee of 10% of the amount of the premiums for our time incurred in obtaining such insurance. We encourage you to seek advice from an independent risk management provider who may specify higher limits.

Additionally, you must purchase such extended reporting period insurance coverage for period after the termination or expiration of this Agreement as we may specify in the Manual. You further agree to provide us with a copy of an insurance certificate evidencing such coverage prior to: (i) the expiration of this Agreement (if the franchise rights are not being renewed); (ii) any assignment of this Agreement or of your rights under this Agreement requiring our approval; or (iii) the termination of this Agreement (provided, however, in the case of immediate termination under Sections 14.1 or 14.2, you must provide us with evidence of coverage within seven (7) days of the effective date of the termination).

8.7 Compliance with System Standards

You acknowledge and agree that operating and maintaining your Center according to the System Standards is essential to preserve the goodwill of the Marks, the System, and the Centers. Therefore, you agree at all times to develop, operate, and maintain your Center according to all of our System Standards. Although we retain the right to establish and periodically modify System Standards, you have the obligation to develop and operate your Center in compliance with our then-current System Standards. If

you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to own and operate your Center, and/or take other actions to enforce the System Standards.

Our System Standards do not, and will not be deemed to, constitute practice of medicine or us exerting control over delivery or supervision of Urgent and Primary Care Services; however, they may regulate all non-clinical aspects of the operation of your Center, including any one or more of the following:

- (a) all products and services provided by you to the PC and other non-medical products and services sold by you to patients of the PC;
- (b) staffing levels for your Center as it relates to provision of non-medical goods and services at your Center, non-medical training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, working conditions and discipline. You will post a notice at your Center notifying them that they are employees of the PC and not ours);
- (c) sales, marketing, advertising, and promotional programs and materials and media used in these programs;
- (d) use and display of the Marks at your Center;
- (e) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;
- (f) accepting credit and debit cards, other payment systems, and check verification services;
- (g) participation in, and compliance with, private and government-sponsored insurance and reimbursement programs;
- (h) non-clinical bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and providing us copies of tax returns and other operating and financial information concerning your Center;
- (i) submitting to us all press releases relating to your Center for our prior written approval; and
- (j) any other non-clinical aspects of operating and maintaining your Center that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks, the System, and the Centers.

Subject to applicable laws, we may from time to time require that you refrain from conducting any direct billing or collections from customers that receive Urgent and Primary Care Services and/or certain other services at your Center. During any time that Central Billing Services are a required product that you must purchase, you agree to comply with the designated supplier's terms and procedures for the operation of, and participation in, the Central Billing Services, which may include without limitation the use of electronic fund transfers for monies collected from, and fees due for, Central Billing Services provided to your Center.

You agree that System Standards we prescribe in the Manual, or otherwise communicate to you in writing, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

Notwithstanding anything to the contrary, the Licensed Persons through the PC will periodically issue certain standards and specifications regarding the offer, provision, and supervision of Urgent and Primary Care Services at your Center, including those governing purchase, storage, placement, and use of products and services that will be used in providing Urgent and Primary Care Services; marketing of Urgent and Primary Care Services; and other aspects relating to offer, provision, and supervision of Urgent and Primary Care Services at your Center that the PC and the Licensed Persons deem appropriate in the independent exercise of its medical judgement. You must also comply with such standards and specifications.

We do not make, and have not made, any representations of any kind whatsoever regarding whether the Agreement complies with any laws governing Medical Services, or the various legal doctrines commonly referred to as the “*corporate practice of medicine*”; any federal or state law, rule or regulation governing Medicare or Medicaid, including state and federal laws regulating the relationships between providers and suppliers of health care products and services on one hand and physicians and other providers and suppliers of health care products and services on the other hand; the fraud and abuse provisions of the Medicare and Medicaid Statutes; state and federal laws governing self-referral by physicians; fee splitting, patient brokerage prohibitions; anti-kickback prohibitions; or any other law, rule or regulation related to the field of medicine or public health. You must review and remain in compliance with the various state and federal laws and regulations governing Urgent and Primary Care Services and the structure of entities involved with those fields. You understand and agree that this limitation may restrict the clients to whom you are able to market or provide services. Accordingly, you understand and agree that it is solely your responsibility to identify and consult with competent healthcare counsel for the state(s) in which you plan to open your Center. By executing the Agreement, you represent that you have either (i) consulted with such counsel, or (ii) declined the opportunity to do so.

8.8 Modification of System Standards

We periodically may modify the System Standards, and these modifications may obligate you to invest additional capital in your Center and/or incur higher operating costs. You agree to implement any changes in the System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of your Center, buying new Operating Assets, adding new services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

Our modification of System Standards, which may accommodate regional or local variations, may obligate you to invest additional capital in your Center and incur higher operating costs. We will give reasonable notice to you if we modify the System Standards. Subject to applicable laws and at our discretion, we may require certain modifications to the System Standards on a regional or local basis. These modifications do not need to be implemented throughout the System, and in certain situations, could only affect your Center, and could include requiring temporary closure. We will determine the scope and duration of such modifications.

9. MARKETING

9.1 Marketing Contributions and Expenditures

You acknowledge and recognize the value of the System and the Marks, the need to develop, enhance, and promote the System and Marks, and the need to advertise and market the System and Centers. You also acknowledge and recognize the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the Marks, and the Centers. Therefore, you agree to: (i) pay us the Marketing Fee described in Section 3.4, which we will contribute to the Marketing Fund, (ii) make local advertising and marketing expenditures, and (iii) join and make contributions to a Market Cooperative (as defined below).

We will not require that the percentage of Net Payments you are required to pay as the Marketing Fee and your minimum local marketing expenditure described in Section 9.3 (collectively, the “**Required Marketing**”) exceed, in the aggregate, five percent (5%) of your Center’s Net Payments for such period (the “**Marketing Expenditure Cap**”); provided, however, it is your responsibility to provide us with written notice if the Required Marketing exceeds the Marketing Expenditure Cap, and until we receive your written notice (the “**Marketing Notice**”), you will fully comply with the Required Marketing requirements, and no excess amounts will be refunded to you. If the Required Marketing exceeds the Marketing Expenditure Cap, you may, after we receive your Marketing Notice, reduce the Local Advertising Requirement, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. You must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded. Your Grand Opening Spend Requirement will not count towards the Marketing Expenditure Cap.

9.2 Marketing Fund

We have established a Marketing Fund (the “**Marketing Fund**”) for the enhancement and protection of the System and Marks, and for developing the advertising, marketing, and public relations programs and materials for the Centers.

We allocate the Marketing Fee to the Marketing Fund. We have the right to use, or direct the use of, the Marketing Fund, and monies in the Marketing Fund, for any purpose that we believe will enhance and protect the System and Marks, or will improve and increase public recognition and perception of the System and the Marks. Among the programs, concepts, and expenditures for which we may utilize the Marketing Fund monies are: creative development and production of print ads, commercials, radio spots, direct mail pieces, door hangers, and other advertising and promotional materials; creative development of, and preparing, producing, and placing video, audio, and written materials and electronic media; media placement and buying, including all associated expenses and fees; administering, and/or allocating monies of the Marketing Fund for use in regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys; the creative development of and actual production associated with promotions, public relation events, and charitable or nonprofit events; creative development of signage and posters; employee recognition and awards events and programs; periodic national and regional conventions and meetings; Website, extranet and/or intranet development, implementation, and maintenance; retention and payment of advertising and promotional agencies and other outside advisors including retainer and management fees; and public relations and community involvement activities and programs. We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.

The Marketing Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost; however, if you need multiple copies of such materials then the Marketing Fund or we will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses. However, we may use the Marketing Fund to pay administrative costs of the Marketing Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Marketing Fund, and we may use the Marketing Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund. We may use the Marketing Fund to pay for other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs.

The Marketing Fund will not be our asset. Although the Marketing Fund is not a trust, we will hold all Marketing Fund contributions for the benefit of the System and the contributors and use contributions only for the purposes described in this Section. We do not owe any fiduciary obligation to you for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on the Marketing Fund contributions to pay costs before using the Marketing Fund's other assets.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses. The statement is available for your review upon written request, ninety (90) days after our fiscal year end. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

Although we may use the Marketing Fund, or portions of the monies in the Marketing Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all Centers, we cannot and do not ensure that Marketing Fund expenditures will be made in or affect any specific geographic area, or will be proportionate or equivalent to Marketing Fund contributions by Centers operating in that geographic area. We do not guarantee or assure that any Center will benefit directly or in proportion to its Marketing Fund contribution from the brand enhancement activities of the Marketing Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

We have the right to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle, and compromise all Claim by or against the Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce contributions of a Center and, upon thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods or terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will, at our option, either spend all unspent monies at our discretion, until such amounts are

exhausted, or distribute the funds in the Marketing Fund to the contributing Center Owners in a manner we deem fair and equitable.

9.3 By You

You must develop an advertising and marketing Plan for your Center and obtain our prior written approval of the Plan. You must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. In addition to your Marketing Fund contribution obligations, you agree to spend each month, beginning three (3) months after the opening of your Center, at least Two Thousand Dollars (\$2,000), not including vendor and agency costs, to advertise and promote your Center in accordance with your Plan. Your monthly expenditure may include the costs to design or develop local marketing programs, subject to our approval. You agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we specify. If you fail to spend the required minimum amount, then any amounts that you should have expended to reach the Two Thousand Dollars (\$2,000) monthly requirement must be contributed to the Marketing Fund at such times as we specify.

If you are located within a telephone directory's or similar or equivalent service's distribution area where other Centers are located, we may require you to participate in joint, collective, or market-wide advertising, marketing, or promotional campaigns or programs as part of your Plan, and to pay your share of that joint, collective, or market-wide advertising, marketing, or promotional campaigns or programs.

Your local advertising and promotion must follow our guidelines, which may include requirements for, or restrictions regarding, the use of the Marks and notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize, without our prior written approval, any Website that mentions or describes you or your Center or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and policies that we prescribe. You may use direct advertising only to customers located within your Territory. We may specify third parties that you must use for the design and development of your local advertising; however, you will be required to pay those third parties directly without any offset to your required local expenditure requirements.

9.4 Grand Opening Spend Requirement

In addition to your other marketing obligations under this Agreement, you must, no later than ten (10) days after the date that you sign an approved lease for the Premises, pay to us, in the form of a lump sum payment, by ACH or in such other manner that we designate from time to time, the amount of Thirty-Five Thousand Dollars (\$35,000) as a non-refundable grand opening spend fee (the "**Grand Opening Spend Requirement**"); provided, however, if you are purchasing an existing Center, the Grand Opening Spend Requirement will be due no later than ten (10) days after the date you take possession of your Center. We will use the Grand Opening Spend Requirement to advertise, market, and promote your Center using any suppliers we may designate in accordance with a marketing and recruiting plan that we determine.

9.5 Market Cooperative

We have the right to form a marketing cooperative for any geographical area (“**Market Cooperative**”). If a Market Cooperative for the geographic area in which your Center is located has been established at the time you begin operations hereunder, you must immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area in which your Center is located is established during the term of this Agreement, you must become a member of such Market Cooperative within thirty (30) days after the date on which the Market Cooperative commences operation. In no event will you be required to be a member of more than one (1) Market Cooperative. The following provisions will apply to each such Market Cooperative:

(a) Each Market Cooperative will be organized and governed in a form and manner and will begin operation on a date that we prescribe or approve in writing in advance. Unless we specify otherwise, the activities carried out by each Market Cooperative will be decided by a majority of its members. The members will also decide upon the amount of contributions required to be paid to the Market Cooperative, which may be determined based on each member’s Net Payments, provided that we may provide our recommendations and guidelines. Any Center that we operate or manage in the region will have the same voting rights as those owned by our franchisees. Each Center or a Center owned by us will be entitled to cast one (1) vote for each Center.

(b) Each Market Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized promotional materials for use by the members in local advertising and promotion.

(c) No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without our prior approval.

(d) You must submit your required contribution to the Market Cooperative each Wednesday for the previous week. We will have the right to require that you submit your payments and reports to the Market Cooperative directly to us for distribution to the Market Cooperative. If we incur administrative expenses in support of the Market Cooperative, these expenses may be paid to us from the funds of the Market Cooperative or from a portion of the Marketing Fee that would be allocated to the Market Cooperative. If you are required to contribute to a Market Cooperative, your contributions will be credited toward your requirements to make expenditures for local advertising and promotion.

(e) We will have the right to terminate any Market Cooperative. A Market Cooperative will not be terminated, however, until all monies in that Market Cooperative have been expended for advertising and/or promotional purposes.

9.6 Approvals

For all proposed advertising, marketing, and promotional plans, you will submit samples of such plans and materials to us, for our review and prior written approval (except with respect to prices to be charged by you). If you do not receive our written approval within ten (10) days of the date of receipt by us of such samples or materials, they will be deemed to have not been approved. If we approve your proposed advertising materials, we do so for our own purposes, and we make no representation or warranty as to its compliance with applicable laws or its terms for your purposes. You acknowledge and agree that any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must execute such documents (and, if necessary, require

your independent contractors to execute such documents) as may be deemed reasonably necessary by us to give effect to this provision.

9.7 Websites

In furtherance of our policies regarding Websites and the presence of the “AMERICAN FAMILY CARE” brand on the Internet, we have the right to establish, maintain, and modify one or more Websites that identify the “AMERICAN FAMILY CARE” brand, system, and businesses that operates under our Marks. We may establish web pages on one website that identifies individual Centers, and we may designate one such webpage for your Center. You may have the right to promote your Center using this webpage, and to utilize and modify this webpage, provided that you comply with our Website and Internet policies and System Standards. Our Website strategy, which we have the right to change, includes utilizing our website and various web pages for press releases, brand marketing, promotion, and dissemination of other information related to the Centers.

If you default under the Agreement, we may, in addition to our other remedies, temporarily remove references to your Center from any Website developed by us or our affiliates until you fully cure the default. All advertising, marketing, and promotional materials that you develop for your Center must contain notices of the domain name of the Website created or maintained by us or our affiliates for the Centers in the manner we designate.

You may not, without our prior written consent, develop, maintain, or authorize any Website that mentions your Center or displays any of the Marks. You may not, directly or indirectly, through any Website, promote, advertise or sell any products or services without our prior written approval. If we approve the use of any such Website in your Center’s operations, you will develop and maintain such Website only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. Unless we specify otherwise, we will own the rights to each such Website. At our request, you agree to grant us access to each such Website, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Website, or to help us obtain exclusive rights in such Website. If we allow you to maintain a Website for your Center, you must prepare and link a privacy policy to such Website, which must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.

We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current terms and conditions and System Standards. You acknowledge and agree that we will, subject to the applicable laws, have access to all such email accounts, and all documents, data, materials, and messages shared from or by such accounts. We may deactivate any such account or limit your or your users’ access to it at any time.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe. We require you to use a Computer System to maintain certain sales data and other information. You agree to prepare, and if requested by us, to provide to us, in the manner and format that we prescribe:

(a) a report on your Center’s Net Payments and a monthly operating report and/or income statement with business and operating statistics of the type and in the form and manner that we specify;

(b) quarterly profit and loss and source and use of funds statements and a balance sheet for your Center as of the end of the prior calendar quarter;

(c) within ninety (90) days after the end of each calendar year, the operating statements, financial statements, statistical reports, and other information we request regarding you and your Center covering the previous calendar year; and

(d) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Center.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate, access the Computer System and retrieve all information relating to your Center's operation.

If you have been in default of any financial or reporting obligation under this Agreement, more than twice during the term of this Agreement, we reserve the right to require that you prepare, and provide us, audited financial statements on an annual basis. In addition, you must provide us with audited financial statements in the event you prepare them for any other purpose.

You agree to preserve and maintain all records in a secure location at your Center for at least seven (7) years (including, but not limited to, billings, purchase orders, invoices, payroll records, customer, patient and client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

11. INSPECTIONS AND AUDITS

11.1 Our Right to Inspect your Center

Subject to applicable laws, we and our designated agents or representatives may at any time and without prior notice to you: (1) inspect and observe the operation of your Center; (2) interview your Center's personnel; and (3) inspect and copy any books, records, and documents relating to your Center's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere with your Center's operation.

11.2 Our Right to Audit

We may examine the business, bookkeeping, and accounting records, sales and income tax records and returns, and other records of your Center. You agree to cooperate fully with us, our representatives, accountants, auditors, representatives, and/or contractors in any examination. We may conduct our audit or examination at our location or the location of our representative, accountant, auditor, or contractor. If any examination discloses an understatement of your Center's Net Payments, you agree to pay us, within ten (10) days after receiving the examination report, the Royalty and Marketing Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Net Payments exceeding five percent (5%) of the amount that you actually reported to us for the period examined, then: (a) you agree to reimburse us for the costs of the examination, including, without

limitation, the charges of attorneys and independent accountants, and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. These remedies are in addition to any other remedies and rights provided us under this Agreement and applicable law.

12. TRANSFER

12.1 By Us

You acknowledge that we engage employees and other personnel to manage and operate the American Family Care franchise system and that such employees and personnel perform services on an “at-will” basis. You represent that you have not signed this Agreement in reliance on any particular member, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After we assign this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

12.2 By You

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your Owners if you are an Entity and that we have granted you the Franchise in reliance upon our perceptions of your individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) your Center (or any right to receive all or a portion of your Center’s profits or losses or capital appreciation related to your Center), including the right to operate or manage it; (iii) the ownership and/or possession, as applicable, of the Premises of your Center, including the lease for the Premises; (iv) substantially all of the assets of your Center; (v) any ownership interest in you (regardless of its size); or (vi) any ownership interest in any of your Owners. A transfer of your Center’s ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

In this Agreement, the term “transfer” includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, encumbrance, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (c) any sale of a security convertible to an ownership interest;
- (d) transfer of an interest in you, this Agreement, your Center or substantially all of its assets, or your Owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if you or one of your Owners dies, a transfer of an interest in you, this Agreement, your Center or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession;

(f) transfer, surrender, or loss of the possession, control, or management of your Center; and

(g) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon your Center, or your transfer, surrender, or loss of the possession, control, or management of your Center.

12.3 Conditions for Approval of Transfer

You acknowledge and agree that there will be no transfers before your Center has opened for business unless it is to an Entity in which you hold a majority interest. If you (and your Owners) are in full compliance with this Agreement, and the proposed transferee and its Owners (if applicable) meet our then-current qualifications then, subject to the other provisions of this Section 12, we may approve a transfer that meets all of the following conditions (which are deemed to be reasonable):

(a) the transferee has sufficient business experience, aptitude, and financial resources to operate your Center and are otherwise qualified to operate your Center;

(b) you have provided us with all information and documents we request regarding the transfer and the proposed transferee and its Owners or affiliates;

(c) structure of the transfer, including any associated debt, places your Center at undue financial or operational risk;

(d) you have paid all Royalty, Marketing Fee, and other amounts owed to us, our affiliates, and third-party vendors (other than amounts payable to third party vendors that are the subject of a good faith dispute with such vendor), have submitted all required reports and statements, and are not in violation of this Agreement at the time of transfer;

(e) you have corrected any existing deficiencies of your Center of which we have notified you in writing or by electronic communications;

(f) the transferee agrees to upgrade and refurbish your Center in accordance with our then-current System Standards for the Centers within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(g) neither the transferee nor its Owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(h) the transferee and its required personnel satisfactorily completes our training program at the then-current training cost;

(i) you have received all approvals relating to the proposed transfer (including any landlord notices or consents) and you have provided copies of those approvals to us;

(j) the transferee must sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from those contained in this Agreement, provided, however, that the term of the new franchise agreement signed will be the remaining term on this Agreement;

(k) you or the transferee pays us a transfer fee in an amount equal to the higher of Ten Thousand Dollars (\$10,000.00) or 10% of the then-current initial franchise fee for a Center; however, the transfer fee will be waived if the transferee: (a) is an Entity controlled by you, or (b) has obtained your Center as a result of your or your Owners' death or disability. If a transfer occurs due to our or an associated brokers' efforts in assisting in the sale of your Center, the transfer fee is an amount equal to the higher of Twenty Five Thousand Dollars (\$25,000.00) or 10% of the then-current initial franchise fee for a Center;

(l) you (and your transferring Owners) sign a general release, in a form satisfactory to us, of any and all Claim against us and our members, officers, directors, employees, and agents;

(m) if you finance any part of the purchase price, you agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Center are subordinate to the transferee's obligation to pay Royalty, Marketing Fund contributions, and other amounts due to us, our affiliates, and third-party suppliers, and otherwise to comply with this Agreement;

(n) you, your Owners, and your and your Owners' Immediate Family Members will not, for two (2) years beginning on the effective date of the transfer, comply with the applicable post-termination obligations under this agreement, including those regarding Competitive Businesses, as though the Agreement had expired on the date of the purchase; and

(o) You will not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other Centers you own and manage or as required by law, or as necessary to accurately respond to any inquiry regarding your business operations prior to the expiration or termination) identify yourself or any business as a current or former Center or as one of our franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a Center in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

If you intend to list your Center for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising any prospective transfer or other disposition of your Center or of any ownership in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of your Center or of any ownership interest in you without our prior written approval of such materials.

We may review all information regarding your Center that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or that we have made regarding your Center.

12.4 Your Death or Disability

(a) **Transfer Upon Death or Disability.** Upon your or any of your Owners' death or disability, your or such owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement or in you (as applicable) to a third party

(which may be your, or the Operating Principal's, heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed twelve (12) months from the date of death or disability and is subject to all of the terms and conditions in this Section 12. For purposes of this Section, "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an Owner from operating your Center in accordance with this Agreement.

(b) **Operation Upon Death or Disability.** Upon your or any of your Owners' death or disability, your, or the Operating Principal's, executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a manager. The manager at your estate's expense must complete our standard training program. A new Operating Principal acceptable to us also must be appointed for your Center, and that new Operating Principal must be acceptable to us and complete our standard training program before managing your Center.

12.5 Our Right of First Refusal.

(a) Any party holding any interest in you or this Agreement and who desires to accept any bona fide offer to purchase his, her or its interest in your Center from a third party, shall notify us in writing of each such offer, and we will have the right and option, exercisable within thirty (30) after receipt of such written notification, to send written notice to the seller of our or our nominee's intent to purchase your interest on the same terms and conditions offered by the third party. To be a valid, bona fide offer (i) include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, (ii) the entire proposed purchase price must be in a dollar amount, and (iii) the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. We may require you (or your Owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

(b) Within thirty (30) days after we receive an exact copy of the bona fide offer and all relevant information we request, we may, by written notice to you, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. We may substitute for cash any non-cash form of payment proposed in the offer. We may deduct from the purchase price any monies that are then owed to us or our affiliates under the Agreement or any other agreement. If we exercise our right of first refusal, we will have thirty (30) days from the date we notified you of our intended purchase to complete the purchase. You and your Owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and you and your selling owner(s) (and your and their Immediate Family Members) must comply with all post-termination obligations under this Agreement, including those regarding Competitive Businesses, as though the Agreement had expired on the date of the purchase. We have the unrestricted right to assign this right of first refusal, and the assignee will have the rights described in this Section 12.5.

(c) Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us or our nominee as in the case of an initial offer. Our failure to exercise the option afforded by this Section 12.. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 12, with respect to a proposed transfer. If you do not make the proposed transfer within ninety (90) days from the date on which you notified us of the offer, then you will again extend this right of first refusal to us before making any transfer or assignment. Any transfer or attempted transfer without giving us this right of first refusal will be null and void.

12.6 Effect of Consent to Transfer

Our consent to a transfer of this Agreement and your Center, or any interest in you, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Center's or transferee's prospects of success, or a waiver of any Claim we have against you or of our right to demand the transferee's full compliance with this Agreement.

13. EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE

After the expiration of this Agreement, you may acquire four (4) consecutive successor franchise terms of five (5) years each, provided that:

(a) you have given us written notice of such election to renew not less than one hundred eighty (180) days, nor more than two hundred seventy (270) days, prior to the end of the then-current term;

(b) you are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us, and have substantially complied with all the terms and conditions of such agreements during the terms thereof;

(c) you have satisfied all monetary obligations owed by you to us and have timely met these obligations throughout the term of this Agreement;

(d) you and your Owners (as applicable) execute our then-current form of Franchise Agreement and related documents, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms from this Agreement;

(e) you and your Owners sign a general release, in the form we require, of any and all Claim against us, our parent, and ours and their respective members, shareholders, officers, directors, agents and employees;

(f) you shall comply with our then-current qualification and training requirements;

(g) you maintain your right to use the Premises of your Center or secure substitute premises we approve for the duration of the successor term;

(h) you must present satisfactory evidence that you have renewed your Business Support Services Agreement with the PC for the duration of the successor term on such terms that are acceptable to us;

(i) you pay us a successor franchise fee of \$5,000 or 10% of the current initial franchise fee for a Center, whichever is higher;

(j) we are then granting Franchises for the Centers in the state in which your Center is located; and

(k) you make such modifications and improvements to your Center to bring it into compliance with then-current System Standards.

14. TERMINATION OF AGREEMENT

14.1 Automatic Termination

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against your Center's Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Center shall be sold after levy thereupon by any sheriff, marshal, or constable.

14.2 Termination Upon Notice Without Opportunity to Cure

You shall be deemed to be in default, and we may terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you by us, upon the occurrence of any of the following events:

- (a) you have made or make any material misrepresentation or omission in your application for, or in acquiring, the Franchise, or in operating your Center;
- (b) you or your Owners make or attempt to make any transfer in violation of Section 12;
- (c) you or your Owners are or have been convicted of, or plead or have pleaded no contest to a felony;
- (d) you or your Owners engage in any dishonest or unethical conduct which, in our opinion, adversely affects your Center's reputation or the goodwill associated with the Marks;
- (e) you or your Owners make any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;
- (f) you or your Owners interfere with our relationships with third parties and the ability to operate and/or grant franchises under our System;
- (g) you understate your Center's Net Payments for any period by five percent (5%) or more, three (3) times or more during the term, or by more than ten percent (10%) on any one occasion;
- (h) you (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any eighteen (18) consecutive month period to comply with the same obligation

under this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you;

(i) you or your Owners fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders or your or your Owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you otherwise violate any such law, ordinance, or regulation;

(j) you create or allow to exist any condition in connection with your operation of your Center, at any location, which we reasonably determine to present a health or safety concern for your or our employees or the patients that visit your Center;

(k) if at any time after your Center commences operations, you don't have a valid Business Support Services Agreement in place in the form we approve with a PC that we approve or designate (unless we agree to waive the requirement to enter into the Business Support Services Agreement in writing);

(l) you or your PC fail to comply with any provision of the Business Support Services Agreement and do not correct the failure within the applicable cure period (if any); or

(m) you or your affiliates fail to comply with any other agreement with us or our affiliates and do not correct such failure within the applicable cure period, if any.

14.3 Termination With Opportunity to Cure

Except as otherwise provided in Sections 14.1 and 14.2 above, any other default by you of your obligations hereunder, including those identified below, upon written notice from us, you will have thirty (30) days to cure such default. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you may have an opportunity to cure the default to avoid termination:

(a) you do not open your Center for business by the Opening Date;

(b) you and your other required trainees do not satisfactorily complete the initial training program after we provide a second opportunity;

(c) you misuse our Marks, or use our Marks at any other location owned or operated by you without our authorization;

(d) you make any unauthorized use of our proprietary software;

(e) you fail to operate your Center during the days and hours specified in the Manual without our prior approval, which we will not unreasonably withhold;

(f) you fail to maintain any required licenses, permits, or certifications to open or operate your Center, or fail to comply with any federal, state, or local law or regulation, or you operate your Center in an unsafe manner, and you do not cure or commence to cure this failure within five (5) days after you receive notice;

(g) you or any of your employees fail to meet the state and local certifications or other requirements for operation and/or employment in an urgent care management business, or the PC fails to meet state and local certifications or other requirements for the operation or employment of physicians and other professionals in an urgent care center, and you fail to cure this default within ten (10) days after you receive notice, or, alternatively, you fail to prohibit any such employees from working in your Center until the requirements are met;

(h) you fail to maintain the insurance we require, or you fail to repay us for the insurance that we have paid on your behalf, and you do not correct the failure within thirty (30) days after we deliver written notice of that failure to you;

(i) you fail to pay us or our affiliates any amounts due and do not correct the failure within five (5) days after we deliver written notice of that failure to you, or immediately if payment has not been made within thirty (30) days of its due date;

(j) you fail to operate your Center from the Premises, or any substitute premises approved by us;

(k) you fail to pay when due any federal or state income, service, sales, or other taxes due on your Center's operation, unless you are in good faith contesting your liability for these taxes;

(l) you fail to promptly pay your suppliers, including any of our affiliates, when such payments are due, except in connection with a good faith dispute that you have with third-party suppliers;

(m) you do not hire and/or retain a Marketing Representative, including all training and certification requirements applicable to the Marketing Representative; or

(n) you fail to comply with any other provision of this Agreement, the Manual, or any System Standard.

14.4 Extended Notice of Termination

If any law applicable to this Section 14 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to renew the franchise agreement, than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

14.5 Remedies other than Termination

If you commit any act, or any other event occurs, which constitutes an uncured default after notice and/or grounds for termination of this Agreement by us under any provision of this Agreement, we may instead elect to reduce your Territory, terminate your territorial protection, or take any other action that we deem fit. Such actions will take effect immediately upon written notice to you by us. Our election of any of these remedies will not preclude us from invoking our right to terminate if the act or event constituting grounds for termination continues to exist.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

15.1 Cease Operating and Payment of Amounts Owed to Us

You must immediately cease operating your Center and selling any products and services previously offered by your Center unless we direct you otherwise in connection with our exercise of our option to purchase your Center pursuant to this Agreement.

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated the Royalty, Marketing Fee, and all other amounts payable to us or our affiliates pursuant to this Agreement, including outstanding interest on such unpaid amounts.

15.2 Marks

When this Agreement expires or is terminated:

(a) you may not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other Centers you own and manage or as required by law, or as necessary to accurately respond to any inquiry, or as required by law, regarding your business operations prior to the expiration or termination) identify yourself or any business as a current or former Center or as one of our current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a Center or Center in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(b) you agree to take the action required to cancel all fictitious or assumed names or equivalent registrations relating to your use of the Marks;

(c) you agree to deliver to us within thirty (30) days all signage, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to any Center that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from your Center;

(d) if we do not have or do not exercise an option to purchase the assets of your Center, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish your Center and the Premises clearly from its former appearance and from the Centers in order to prevent public confusion;

(e) you agree to notify the telephone company, all telephone directory publishers, and all domain name registries and internet service providers of the termination or expiration of your right to use any telephone, facsimile, URLs and domain names, or other numbers, names, and telephone directory listings associated with the Marks; to authorize the transfer of these numbers, names, and directory listings to us or at our direction; and/or to instruct the telephone company, domain name registries, and Internet service providers to forward all calls, emails and electronic communications made to your names, numbers, or addresses to names, numbers, or addresses we specify. If you fail to do so, we may take whatever action and sign whatever documents that are necessary or appropriate on your behalf to affect these events; and

(f) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations. If you fail to take

any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Center. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

15.3 Confidential Information

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business, and at our option either destroy or return all copies of the Manual and other Confidential Information without retaining a copy of it.

15.4 Covenant Not to Compete

Upon termination or expiration of this Agreement you agree that, for two (2) years beginning on the later to occur of (i) the effective date of termination or expiration, or (ii) the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4, or (iii) if litigation is necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction enforcing this Agreement: you, your Owners, and your and your Owners' Immediate Family Members, for yourselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling interest as an Owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, landlord, lessor, director, manager, employee, consultant, representative, or agent in any Competitive Business, that is or may be located or operating:

- (a) at the Premises;
- (b) within the Territory;
- (c) within five (5) miles of the border of the Territory; or
- (d) within ten (10) miles of any other Center or Center in operation or under construction on the latter of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

Equity ownership of less than five percent (5%) in a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 15.4.

These restrictions also apply after transfers, as provided in Section 12 above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

15.5 Our Right to Purchase Certain Assets of your Center

Upon termination or expiration of this Agreement, we will have the right and option, but not the obligation, to purchase any and all of your assets of your Center at a purchase price equal to their fair market value. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect any equipment at any time prior to or during this thirty-day period. If we elect to purchase the equipment, we will be entitled to, and you must provide, all customary warranties and representations relating to the equipment purchase, including, without limitation, representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances). If we and you cannot agree on fair market value, fair market value will be determined by three (3) independent accredited appraisers with experience in commercial real estate. You and we will each select one (1) appraiser, and one (1) will be selected by mutual agreement of the other two (2) appraisers. The appraisers will conduct an appraisal in accordance with this Section. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we wish to exercise our purchase option. You and we will share equally the appraisers' fees and expenses. The appraisers must complete their appraisals within thirty (30) days after their appointment. The purchase price will be the average of the three (3) appraised values. If the two appraisers cannot agree on the third appraiser, one will be chosen by the American Arbitration Association.

You agree that, if we require that you continue to operate your Center while we consider exercising our option to purchase or close on the purchase, you will do so in accordance with this Agreement up to the closing or until we direct that you cease doing so. You agree to cooperate with us in conducting due diligence, including providing us with access to your business and financial records, contracts, and all other information relevant to your Center. At the closing, we (or our assignee) will pay the purchase price in cash. You agree to execute and deliver to us (or our assignee):

(a) all customary agreements, in form and substance acceptable to us and in which you (i) provide all customary warranties and representations, including as to ownership and condition of and title to assets, no liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise; (ii) transfer good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you; (iii) and assign the lease for the Premises of your Center and all of the licenses and permits for your Center which are permitted to be assigned or transferred; and

(b) an agreement, in form and substance satisfactory to us, voluntarily terminating the Agreement under which you and your Owners release, in form and substance satisfactory to us, any and all Claim you and your Owners have against us and our shareholders, officers, directors, employees, agents, successors, and assigns and agree to comply with all post-term obligations set forth in Section 15 above and with all other obligations which, either expressly or by their nature, are intended to survive termination or expiration of the Agreement.

15.6 Continuing Obligations

All of our and your obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

15.7 Lost Revenue Damages

If we terminate the Agreement because of your breach or if you terminate the Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalty through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the “**Lost Revenue Damages**”), is an amount equal to the net present value of the Royalty that would have become due had the Agreement not been terminated, from the date of termination to the earlier of: (1) 36 months following the date of termination, or (2) the originally scheduled expiration of the Term (the “**Measurement Period**”). For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the Royalty fee percentage, multiplied by (3) the highest monthly Net Payments of your Center during the 36 full calendar months immediately preceding the date on which your Center operated in compliance with the Agreement (or, if the termination is based on your unapproved closure of your Center, the 36 full calendar months immediately preceding the closure date); provided, that if as of the termination date (or the closure date in light of the foregoing), your Center has not been operating for at least 36 months, the highest average monthly Net Payments of all American Family Care Centers operating under the Marks during the 36 months immediately preceding the termination date.

You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within 15 days after the Agreement is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

16.1 Independent Contractors

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, your Center’s personnel, and others as your Center’s owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require.

16.2 No Liability for Acts of Other Party

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than that of franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Center’s operation or the business you conduct under this Agreement.

16.3 Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Center. You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of

either your operation or payments that you make to us. We are responsible for paying applicable taxes owed by us.

16.4 Indemnification

You agree to indemnify, defend, and hold harmless the Indemnified Parties against, and to reimburse any one or more of the Indemnified Parties for, all Claim, obligations, and damages directly or indirectly arising out of your Center's operation, the business you conduct pursuant this Agreement, any activity that occurs at the Premises of the Center, your employment practices, acts and omissions by your PC and the Licensed Persons that provide, supervise, or administer Urgent and Primary Care Services at your Center, or your breach of this Agreement or the Business Support Services Agreement, unless the Claim, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court of competent jurisdiction.

For purposes of this indemnification, "Claim" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced.

Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. We have the right to designate attorneys that you must retain to defend any Claim subject to this indemnification provision. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

17. ENFORCEMENT

17.1 Severability and Substitution of Valid Provisions

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portion of this Agreement which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to renew your franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid,

unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits.

17.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Centers; the existence of franchise agreements for other Centers which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

17.3 Costs and Attorneys' Fees

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees.

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs, and expenses, including arbitration and court costs and reasonable attorneys' fees incurred by the prevailing party in connection with such proceeding.

17.4 Rights of Parties are Cumulative

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise, or enforcement of any other right or remedy which we or you are entitled by law to enforce.

17.5 Mediation and Arbitration

17.5.1 Mediation

Before you and we may bring an action in court or arbitration, you and we must first meet to mediate the dispute. Any such mediation shall be non-binding and shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association

endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). The parties may mutually agree on a mediator and/or procedures and/or venue for mediation. This Section 17.5 shall not bar you or us from obtaining judicial or injunctive relief for Claim that are based solely on demands for money owed, or from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, Claim involving the Marks.

Mediation shall be commenced by the party requesting mediation (the “complainant”) providing written notice of the request for mediation to the party with whom mediation is sought (the “respondent”). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought.

Mediation commenced under this Section shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

17.5.2 Arbitration

All controversies, disputes, or Claim between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your Owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor’s or assign’s, as applicable) then-current principal place of business (currently, Hoover, Alabama). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this Section, and in any action in which a party seeks to enforce compliance with this Section, the prevailing party shall be awarded its costs and expenses, including attorneys’ fees, incurred in connection therewith.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

If any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economic resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreement. Any provisions of the Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

Nothing in the Agreement, including the provisions of Section 17.5, bars our right to obtain specific performance of the provisions of the Agreement and injunctive or other equitable relief against threatened conduct that will cause us, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all Claim for damages by injunction being expressly waived hereby).

17.6 Governing Law

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all Claim arising from the relationship between us, and you will be governed by the laws of the State of Alabama, without regard to its conflict of laws or rules, except that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

17.7 Consent to Jurisdiction

Subject to your obligation to submit disputes to arbitration in accordance with Section 17.5, you and your Owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court having jurisdiction over our or, as applicable, our successor's or assign's then current principal place of business (currently, Hoover, Alabama), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court. Nonetheless, you agree that we may commence such actions in the courts of the state or states in which you are domiciled, or your Center is located.

17.8 Waiver of Punitive Damages, Class Action, and Jury Trial

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU AGREE THAT ALL PROCEEDINGS, WHETHER SUBMITTED TO ARBITRATION UNDER SECTION 17.5 ABOVE OR SUBMITTED TO A COURT, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT NO PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

17.9 Limitations of Claims

ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, TO THE RELATIONSHIP OF YOU AND US, OR YOUR OPERATION OF YOUR CENTER (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), MUST BE BROUGHT OR ASSERTED WITHIN ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM. NOTWITHSTANDING THE FOREGOING, OUR CLAIMS ARISING FROM UNDERREPORTING OF SALES OR NET PAYMENT, FAILURE TO PAY MONIES OWED, AND/OR INDEMNIFICATION WILL NOT BE SUBJECT TO THE ABOVE LIMITATION.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the expressed terms of this Agreement.

18. OUR DISCRETION AND JUDGMENT

Whenever we have expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, which includes what we believe to be the best interests of the franchise network at the time our decision is made or our right or discretion is exercised even though: (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our financial or other individual interest; or (3) our decision or the action we take may apply differently to different franchisees or our company-owned or affiliate-owned operations. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

19. CONSTRUCTION

The preambles and exhibits are a part of this Agreement, and this Agreement and the exhibits and attachments hereto, constitute the entire, full, and complete agreement between the parties hereto, and supersede any and all prior or contemporaneous negotiations, discussions, representations, understandings and agreements. However, nothing in this Franchise Agreement is intended to disclaim any representations made by us in the Franchise Disclosure Document that we furnished to you.

The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. “Including” means “including, without limitation.”

If two or more persons are at any time the owners of the Franchise and your Center, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The term “Center” includes all of the assets of the American Family Care Center you operate under the Agreement, including its revenue and the lease for its Premises but does not include revenue generated from Urgent and Primary Care Services.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota,

New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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 Claim 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 Agreement may be executed in multiple copies, each of which will be deemed an original. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

20. BINDING EFFECT

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly authorized officers.

21. NOTICES AND PAYMENTS

All written notices, reports, and payments (for payments, if any, that are not made electronically) permitted or required to be delivered by this Agreement or the Manual shall be in writing and shall be personally delivered, sent by registered mail, a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on Exhibit A of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

All notices will be deemed to be delivered on the earlier of the date of actual delivery or one of the following:

(a) at the time delivered to the receiver's server via electronic transmission and, in the case of the Royalty, Marketing Fee, and other amounts due, at the time we actually receive payment;

(b) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(c) three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

22. COMPLIANCE WITH ANTI-TERRORISM LAWS

You agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws. In connection with that compliance, you certify, represent, and warrant that none of your property or interests are subject to being blocked under, and that you otherwise are not in violation of, any of the Anti-Terrorism Laws. “**Anti-Terrorism Laws**” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you, or any blocking of your assets under the Anti-Terrorism Laws, shall constitute good cause

for immediate termination of this Agreement. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders, or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement also pertain to your obligations under this Section.

23. SECURITY INTEREST

You hereby collaterally assign to us the lease for the Premises for your Center and grant us a security interest in all of the Operating Assets and all other assets of your Center, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Center and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under the Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under the Agreement and at law. If an approved third-party lender requires that we subordinate our security interest in the assets of your Center as a condition to lending you working capital for the construction or operation of your Center, we will agree to subordinate pursuant to terms and conditions determined by us. The Agreement shall be deemed to be a security agreement and financing statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

24. NO RECOURSE AGAINST NON-PARTY AFFILIATES

You agree that you will look only to us to perform under the Agreement. Our affiliates are not parties to the Agreement and have no obligations under it. You may not look to our affiliates for performance.

25. SAFETY

We will not be required to send any of our representatives to your Center to provide any assistance or services if, in our sole determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement (including to pay monies owed) and will not serve as a basis for your termination of this Agreement.

26. ACKNOWLEDGMENTS

You acknowledge:

(a) That like any other business, the nature of the business of managing a Center may, and probably will, evolve and change over time.

(b) That attracting customers for your Center will require you to make consistent marketing efforts in your community through various methods, including media advertising, direct mail advertising, and display materials.

(c) That you must maintain a high level of customer service and adhere strictly to the System and our System Standards, and that you are committed to maintaining System Standards.

(d) That we may modify the offer of our franchise opportunity to other franchisees in any manner and at any time, and these offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT A
TO THE FRANCHISE AGREEMENT
TERRITORY, INITIAL FEE AND ROYALTY

1. The Premises of your Center are:

2. The Territory is:

_____ (as depicted on the map attached to this Exhibit A).

3. The initial franchise fee shall be: _____

4. The Royalty fee shall be 6% of the Net Payments of your Center for each period.

5. Opening Date: _____

6. Unless subsequently changed in accordance with Section 18 of this Agreement, the designated address for notices under Section 18 of this Agreement are as follows:

Notices to Franchisor:

3700 Cahaba Beach Road
Birmingham, Alabama 35242
Telecopy No. (205) 421-2069
Attn.: Michael Chester
Email: mchester@americanfamilycare.com

Notices to Franchisee:

Telephone: _____
Email: _____
Attn: _____

AFC FRANCHISING, LLC, an Alabama
limited liability company.

By: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**EXHIBIT B
TO THE FRANCHISE AGREEMENT**

SITE SELECTION ADDENDUM

AFC Franchising, LLC (“**we**” or “**us**”) and _____ (“**you**”) have this ____ day of _____, 20____ (the “**Effective Date**”) entered into a Franchise Agreement (“**Franchise Agreement**”) and desire to supplement its terms as set out below in this Site Selection Addendum (the “**Addendum**”). The parties hereto agree as follows:

AGREEMENT

1. **Time to Locate Site:** Within two hundred seventy (270) days after the Effective Date (the “**Search Period**”), you must acquire or lease/sublease, at your expense, commercial real estate that is properly zoned for the use of the business to be conducted by you under the Franchise Agreement (a “**Center**”) at a site that we approve as hereinafter provided. Such location must be within the following area: _____

_____ (the “**Site Selection Area**”). The Site Selection Area is described solely for the purpose of selecting a site for your Center. The Site Selection Area does not grant you any exclusive territorial rights, and we may establish, or franchise others to establish, a Center and Center operating under the System within the Site Selection Area during the Search Period. You acknowledge and agree that we will have no responsibility for, or liability to you for, any site review, analysis, evaluation, or recommendation undertaken by or on behalf of any real estate broker or advisor used or retained by you, even if such broker or advisor was approved or recommended by us. If you fail to acquire or lease a site for your Center within the Search Period, such failure will constitute a default under Section 14.2 of the Franchise Agreement and under this Addendum, and we have the right to terminate the Franchise Agreement and this Addendum.

2. **Site Evaluation Services:** Our approved vendor will assist you in your location selection process by providing you with our location guidelines and criteria, and sources to obtain demographic information related to the Territory. Our advice and information may include a demographic analysis of the proposed Territory and possible locations, competitive urgent care centers in the potential market or area, existing Centers and their proximity to the potential Territory, and other data. We will provide you and the approved vendor with certain recommended or required specifications for your location. If we have completed any research on the market area that you are considering, we will provide you with it for information and background purposes only. You should verify all information provided. Our approved vendor will perform any on-site evaluation deemed advisable in response to your requests for site approval. We require that you retain, at your expense, the services of our designated vendor who will assist in the site selection process, and who will work with you in negotiating the lease for the premises.

3. **Site Selection Package Submission and Approval:** You must submit to us, in the form we specify, a site selection package which must include a copy of the site plan, financial information, and such other information or materials as we may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. You acknowledge that time is of the essence. We will have thirty (30) days after our receipt from you of a complete site selection package and request for approval, and such information and materials as we may request, to accept or not accept the proposed site as the location for your Center. In the event we do not accept a proposed site by written notice to you within said thirty (30) days, such site will be deemed not accepted by us.

4. **Lease Responsibilities:** You must execute a lease which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site.

5. **Accepted Location:** After the location for your Center is accepted by us and leased or acquired by you, the location shall constitute the Premises. The Premises will be specified on Exhibit A to the Franchise Agreement and shall become a part of the Franchise Agreement. The Territory will be the geographic area thereafter described in Exhibit A to the Franchise Agreement and will become a part of the Franchise Agreement. You acknowledge and agree that, if we recommend or give you information regarding the Territory, or a site for the Premises, and if we accept a location, our advice, action, or information is not a representation or warranty of any kind, express or implied, of the location's suitability for a Center, a Center, or any other purpose. Our recommendation indicates only that we believe that the location meets our then-acceptable criteria. Applying criteria that have appeared effective with other locations and premises might not accurately reflect the potential for all locations and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a location and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if the location and premises we recommend or accept fail to meet your expectations. You acknowledge and agree that your acceptance of the Franchise is based on your own independent investigation of the Territory and the location. You acknowledge and agree that our location selection assistance is primarily for our benefit and not for your benefit.

6. **Entire Agreement:** This Addendum will be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein will have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

[Signature page follows]

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

AFC FRANCHISING, LLC, an Alabama
limited liability company.

By: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**EXHIBIT C
TO THE FRANCHISE AGREEMENT**

LISTING OF OWNERSHIP INTERESTS

Effective Date: This Exhibit C is current and complete
as of _____, 20__

You and Your Owners

1. Form of Owner.

(a) Individual Proprietorship. Your owner(s) (is) (are) as follows:

(b) Corporation, Limited Liability Company, or Partnership. You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Owners. The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Full Name	Residential & Email Address	Percentage and Description of Interest Held

3. Identification of Operating Principal. Your Operating Principal as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above). You may not change the Operating Principal without our prior written approval.

AFC FRANCHISING, LLC, an Alabama limited liability company.

By: _____

Title: _____

Dated: _____

FRANCHISEE

(IF YOU ARE TAKING THE FRANCHISE AS A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

[Name]

By: _____

Title: _____

Dated: _____

(IF YOU ARE TAKING THE FRANCHISE INDIVIDUALLY AND NOT AS A LEGAL ENTITY):

[Signature]

[Print Name]

[Signature]

[Print Name]

**EXHIBIT D
TO THE FRANCHISE AGREEMENT**

EDTA FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

(Name of Person or Legal Entity)

(ID Number)

The undersigned depositor (“**Depositor**”) (“**Franchisee**”) hereby authorizes AFC FRANCHISING, LLC (“**Franchisor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below.

_____ Depository	_____ Branch	
_____ City	_____ State	_____ Zip Code
_____ Bank Transit/ABA Number	_____ Account Number	

This authority is to remain in full force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

Depositor: _____

By: _____

Name: _____

Title: _____

Date: _____

FOR OFFICE USE ONLY: LICENSE NUMBER _____

**EXHIBIT E
TO THE FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20____, by _____

_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “**Agreement**”) on this date by AFC FRANCHISING, LLC (“**us**,” “**we**,” or “**our**”), the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of this Agreement (including extensions) and afterward as provided in this Agreement, that _____ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in this Agreement (including any amendments or modifications of this Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in this Agreement (including any amendments or modifications of this Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements; provided, however, that this guaranty to pay monetary obligations arising under this Agreement shall be limited to royalty fees, software fees, marketing fees, other periodic fees and payments owed to us, and any Claim under the indemnification provisions of this Agreement (including, without limitation, Section 16.4), and any judgments or Claim that are reduced to monetary Claim.

The undersigned consents and agrees that: (1) he or she will render any payment or performance required under this Agreement upon demand if Franchisee fails or refuses punctually to do so; (2) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (3) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any Claim, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of this Agreement (including extensions), for so long as any performance is or might be owed under this Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (4) this Guaranty will continue in full force and effect for (and as to) any extension or modification of this Agreement and despite the transfer of any interest in this Agreement or Franchisee, and the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; provided, however, that in the event of a complete and total transfer of all assets and ownership interests in Franchisee and in your Center, such that a Guarantor has no ownership interest in Franchisee or your Center (“**Transfer**”), this Guaranty shall terminate as of the date of the Transfer with respect to any obligations that arise as of or after the Transfer.

The undersigned waives: (i) all rights to payments and Claim for reimbursement or subrogation which the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the

indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

The provisions contained in Section 17 (Enforcement) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and us. If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Each undersigned guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such guarantor (or on such guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Each guarantor represents and warrants that, if no signature appears below for such guarantor's spouse, such guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

By signing below, the undersigned spouse of each guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Agreement was executed.

DEVELOPER (IF DIFFERENT THAN FRANCHISEE)
Name: _____
Sign: _____

GUARANTOR(S)	SPOUSE(S)
Name: _____	Name: _____
Sign: _____	Sign: _____
Address: _____	Address: _____
_____	_____
_____	_____
Email: _____	Email: _____
Name: _____	Name: _____
Sign: _____	Sign: _____
Address: _____	Address: _____
_____	_____
_____	_____
Email: _____	Email: _____

EXHIBIT F
TO THE FRANCHISE AGREEMENT

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

DO NOT SIGN THIS STATEMENT IF YOU OR THE FRANCHISE GRANTED HEREBY ARE SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to **AFC FRANCHISING LLC**, an Alabama limited liability company (“**Franchisor**”), that the person(s) signing below (“**I**,” “**me**” or “**my**”), whether acting individually or on behalf of any legal entity established to acquire the development and/or franchise rights (“**Franchisee**”), (a) fully understands that the purchase of an American Family Care Center franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “**FDD**”) with which you were provided prior to signing the Agreement in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I acknowledge that I have had the opportunity to personally and carefully review the FDD and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:
PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD? ☐ Yes ☐ No (Initial Here: ____) If you selected “Yes,” please describe the information you received on the lines below: .	INITIAL:

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department’s List of Specially Designated Nationals;
2. the U.S. Commerce Department’s Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department’s Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any anti-terrorism law.

Sign: _____
Name: _____
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: _____
Name: _____
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: _____
Name: _____
Capacity: Individually, and for and on behalf of
[Franchisee Name]

EXHIBIT G
TO THE FRANCHISE AGREEMENT

LEASE ADDENDUM

This Lease Addendum and the provisions hereof are hereby incorporated into the body of the lease to which this Lease Addendum is attached (the "Lease"), between ("Tenant") and ("Landlord"), for the real property described therein (the "Premises"). The provisions hereof will be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Addendum and the provisions of the Lease, this Addendum will govern and control.

1. Acknowledgement of Franchise Relationship. Landlord acknowledges that Tenant intends to operate an American Family Care center (the "Center") at the Premises, and that Tenant's rights to operate the Store and to use the "American Family Care" name, trademarks and service marks (the "Marks") are solely pursuant to a franchise agreement ("Franchise Agreement") between Tenant and AFC Franchising, LLC ("Franchisor"). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Franchisor does not guarantee the obligations of Tenant in any manner. Landlord agrees not to take an action that would prohibit Tenant from operating the Store, as contemplated by the Franchise Agreement, at the Premises.

2. Consent to Collateral Assignment to Franchisor. Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, (ii) Franchisor's succeeding to Tenant's interest in the Lease as a result of Franchisor's exercise of rights or remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord agrees that to the extent Franchisor becomes Tenant, for howsoever brief a period, upon assumption of lease pursuant to this provision, that simultaneously with any subsequent assignment to another party, Franchisor will be released from all liability under the Lease or otherwise accruing after the date of such assignment; provided, that neither Tenant nor any other franchisee will be afforded such release in the event Tenant/such franchisee is the assignor, unless otherwise agreed by Landlord.

3. Tenant's Signage. Landlord agrees to allow Tenant to use Franchisor's standard interior and exterior signage and designs to the maximum extent permitted by local governmental authorities. Tenant will be provided, at Tenant's sole cost and expense, with a panel on any pylon/monument/directory sign for the development in which the Premises is located, and will be permitted to install a standard sign thereon approved by Franchisor, including without limitation Franchisor's logo. Landlord hereby grants and approves Tenant the right to display the Marks at the Premises, subject only to the provisions of applicable law.

4. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord will give Franchisor written notice of any default by Tenant, and commencing on receipt thereof by Franchisor, Franchisor will have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for such default to cure such defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor

is as follows: AFC Franchising, LLC located at 3700 Cahaba Beach Road, Birmingham, Alabama 35242, or such other address as Franchisor provides to Landlord.

5. Non-disturbance from Mortgage Lenders. It will be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under this Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Lease and the Franchise Agreement, beyond an applicable grace or cure period.

6. Fixtures and Signage. Any lien of Landlord in Tenant's trade fixtures, 'trade dress', signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items as described in the Franchise Agreement. On request, Landlord will grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

7. Third Party Beneficiary. Franchisor is a third-party beneficiary of the terms of this Addendum, or any other terms of the Lease applicable to Franchisor's rights under the Lease, and as a result thereof, will have all rights (but not the obligation) to enforce the same.

8. Franchisor Right to Enter. Landlord acknowledges and agrees that Franchisor or its designee may enter the Premises for all purposes permitted under the terms of the Franchise Agreement, including to inspect the Premises and the Store's operations, to manage the Tenant's business, on Tenant's behalf, under certain circumstances (to-wit: Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the location), take possession of certain proprietary products, or to remove any trade fixtures or signage upon termination or expiration of the Franchise Agreement. If Franchisor enters the Premises for any such purposes, it will do so without assuming any liability under the Lease.

9. Amendments. Tenant agrees that neither the Lease nor this Addendum may be amended by the parties thereto without the prior written consent of Franchisor.

10. Successors and Assigns. All rights of Franchisor shall inure to its benefit and to the benefit of its successors and assigns. Franchisor may assign its rights under this Addendum to any designee. All provisions in this Addendum applicable to Tenant and Landlord will be binding on any successor or assign of Tenant or Landlord under the Lease.

11. Execution. This Addendum may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement with the Lease. This Addendum and all other documents related to this Addendum may be executed by manual or electronic signature.

[Signature page follows]

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: _____

TENANT: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

AFC Franchising, LLC

Ex. B – ~~2025~~[2025_10](#) Area Development Agreement

~~1579.002.001/427078.2~~[1579.002.002/441776](#)



AREA DEVELOPMENT AGREEMENT

AFC FRANCHISING, LLC

TABLE OF CONTENTS

I.	GRANT	1
II.	DEVELOPMENT FEE	3
III.	DEVELOPMENT SCHEDULE	3
IV.	TERM	3
V.	DEFAULT	3
VI.	TRANSFERABILITY	4
VII.	NOTICES	6
VIII.	INDEPENDENT CONTRACTOR AND INDEMNIFICATION	6
IX.	NON-WAIVER	7
X.	SEVERABILITY AND CONSTRUCTION	7
XI.	ENTIRE AGREEMENT-APPLICABLE LAW	8
XII.	DISPUTE RESOLUTION	8
XIII.	GUARANTY AND ASSUMPTION OF OBLIGATIONS	11
XIV.	COUNTERPARTS	11

**AFC FRANCHISING, LLC
AMERICAN FAMILY CARE®
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement (this “Agreement”) is entered into this _____ day of _____, 20____, (the “Effective Date”) by and between AFC Franchising, LLC, an Alabama limited liability company, with our principal place of business at 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (hereinafter referred to as “we,” “us,” or “our”), and _____, a [*insert type of business entity*] formed in accordance with the laws of the State of [*insert*] (hereinafter referred to as “you” or “your”).

RECITALS

A. We are the franchisor of a system of businesses (each a “Center”) that (i) operate using certain specified business formats, methods, procedures, designs, layouts, standards, and specifications (collectively, the “System”), (ii) are identified currently by the trademark “AMERICAN FAMILY CARE” and use certain other trademarks, service marks and commercial symbols and trade names that we periodically authorize (collectively, the “Marks”), and (iii) provide certain prescribed or approved non-medical health and wellness services to patients and to professional medical entities who provide urgent and primary patient care and other health and wellness services such as treatment for certain physical injuries, infections, colds, flu, and certain other medical conditions; conducting lab tests, X-rays, and certain other diagnostic tests; administering certain vaccines; prescribing and dispensing certain medicines; and providing other related products and services, all of which are provided and supervised at the Center by licensed physician(s). Each Center is developed, owned and operated pursuant to a written franchise agreement between us and the franchisee (a “Franchise Agreement”).

B. We also grant to franchisees who meet our qualifications the right and obligation to acquire an agreed upon number of additional franchises for the development and operation of Centers (the “Area Development Rights”).

C. Concurrently with the execution of this Agreement, you have executed a Franchise Agreement with us, and, ~~based on your own investigation and diligence,~~ you have requested that we grant you Area Development Rights. We are willing to do so on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the premises and the covenants, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

I. GRANT

A. We hereby grant to you, and you hereby accept, the Area Development Rights, which rights may be exercised only to acquire the number of additional franchises that would permit you to develop and open the number of Centers within the area described on Exhibit A (the “Development Area”) and as necessary to satisfy the schedule set forth on Exhibit A (the “Development Schedule”). You agree, at all times, to faithfully, honestly and diligently perform your obligations under this Agreement and fully exploit the Area Development Rights during the term of this Agreement and throughout the entire Development Area.

B. As long as you are in compliance with this Agreement and except as otherwise provided in this Agreement, we will not establish, or license anyone other than you or your affiliates the right to establish, a Center in the Development Area prior to the termination or expiration of this Agreement or the exclusivity granted in this Section 1.B. Notwithstanding anything to the contrary, we reserve for ourselves and our affiliates all rights not expressly granted to you in this Agreement and the right to do all things that we do not expressly agree in this Section 1.B not to do, in each case, without compensation to you, without regard to proximity to your Centers or the Development Area, and on such terms and conditions as we deem appropriate. For example, and without limitation, we and our affiliates may, ourselves or through third parties:

- (1) develop, own and operate Centers anywhere outside the Development Area;
- (2) develop, own and operate, and license others to develop, own and operate, any other business that is not a Center anywhere in the world (including in your Development Area), even if such business offers and sells products and services that are the same as or similar to the products or services offered by Centers;
- (3) except as provided in clause (1) above, use the Marks and System, and any other trademarks and systems, in connection with offering and selling, anywhere in the world (including in your Development Area), any products or services, whether or not the same as or similar to the products and services sold at or by the Centers, including through alternate channels of distribution such as telehealth, mail order pharmacy services, home care, mobile-labs, internet-based and at-home services, and other health, wellness and related products and services;
- (4) acquire the assets of or ownership interests in businesses, or be acquired by businesses that operate, and/or have granted franchises, licenses, or similar rights to third parties to operate businesses similar to and/or competing with Centers, even if such businesses operate, franchise and/or license competitive businesses anywhere, including in the Development Area. We or our affiliates may convert such businesses to Centers and/or permit them to continue to operate under another name regardless of their locations; and
- (5) create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, Centers, and the services and products offered by or at the Centers.

C. This Agreement is not a franchise agreement, and you are not granted any right under this Agreement to use our Marks or System in any manner or to develop, own or operate a Center.

D. You may not subcontract or delegate any of the Area Development Rights to any third parties.

E. This Agreement is not subject to renewal.

F. Each franchise you or your affiliates acquire pursuant to this Agreement and each Center you or your affiliates develop to satisfy your development obligations under this Agreement will be developed and operated pursuant to a separate Franchise Agreement that you or your affiliate that we approve will enter into with us after we accept the premises for such Center but prior to signing a lease or to otherwise securing possession of such premises. Each Franchise Agreement will be on our then-current form, the terms of which may materially differ from our current form of Franchise Agreement.

II. DEVELOPMENT FEE

You shall pay to us, upon execution of this Agreement, a development fee in the amount set forth in Exhibit A (the “Development Fee”), which fee shall be non-refundable and fully earned by us upon execution of this Agreement. We will apply the Development Fee as a credit against the initial franchise fee due under each Franchise Agreement you or your affiliates execute pursuant to this Agreement, subject to a maximum credit for all such Franchise Agreements, in the aggregate, equal to the total Development Fee. The balance of initial franchise fee under each Franchise Agreement executed pursuant to this Agreement will be due and payable upon execution of such Franchise Agreement. You will have no right to recover from us, directly or indirectly, any portion of the Development Fees paid pursuant to this Section II.

III. DEVELOPMENT SCHEDULE

Time is of the essence in this Agreement, and we have no obligation under any circumstances to extend the Development Schedule. You hereby acknowledge that your timely development of the Centers in the Development Area in accordance with Development Schedule (and each Development Period specified therein) is of material importance to us and you agree, as a condition to the continuance of the rights granted hereunder, to develop and open Centers within the Development Area in full satisfaction of the Development Schedule (and each Development Period thereof) and to operate such Centers pursuant to the terms of their respective Franchise Agreements. Your failure to open the Centers in accordance with the Development Schedule is a material breach of this Agreement. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Centers specified in the Development Schedule or during any particular Development Period. We are relying on your knowledge and expertise of the Development Area and your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations for each Development Period of the Development Schedule.

IV. TERM

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted to you hereunder shall expire on the earlier of (i) the last day of the last Development Period under the Development Schedule, or (ii) the date on which the last Center required to be opened pursuant to the Development Schedule is opened for business.

V. DEFAULT

A. The territorial exclusivity granted to you in this Agreement has been granted in reliance on your representations and assurances, among others, that the conditions set forth in Sections I and III of this Agreement will be met by you in a timely manner.

B. You shall be deemed in default under this Agreement, and all rights granted herein shall automatically terminate without notice if you are adjudicated a bankrupt, become insolvent, suffer permanent or temporary court appointed receivership of substantially all of your property, make a general assignment for the benefit of creditors or suffer the filing of a voluntary or involuntary bankruptcy petition which is not dismissed within thirty (30) days after filing.

C. If (i) you fail to meet the Development Schedule or fail to make progress in the development of Centers to indicate, in our determination, that you will not be able to satisfy your development obligations under this Agreement for the then-current Development Period; (ii) if you fail to

comply with any other terms and conditions of this Agreement and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you or commence such cure within the 30-day period and diligently pursue such cure to completion; (iii) you or your owners make or attempt to make an unauthorized transfer or assignment in violation hereof; (iv) you or your owners make or have made any misrepresentation to us in connection with obtaining this Agreement; (v) you, your owners, or your employees or agents use the System or our Marks except pursuant to and in accordance with a valid and effective Franchise Agreement; (vi) you or your owners are convicted of a felony or any crime involving moral turpitude, or if you or your owners engage in any conduct which, in our opinion, adversely affects the reputation of any Center or the goodwill associated with the Marks; or (vii) if or your owners are in default of your or their obligations under any agreement with us or our affiliates and fail to cure such default within the applicable cure period (if any), then we, in our discretion, may do any one or more of the following, effective immediately on delivery of written notice to you:

1. terminate this Agreement and all rights granted hereunder without affording you any additional opportunity to cure the default;
2. reduce or reconfigure the Development Area; and/or
3. terminate the exclusivity granted to you in Section I.B above and thereafter develop or license others to develop Centers in the Development Area, except as may otherwise be provided under any Franchise Agreement which has been executed between us and you or your affiliate pursuant to this Agreement.

D. Upon termination or expiration of this Agreement, you cannot exercise any rights granted to you under this Agreement, and we shall be entitled to use the Marks and System without restriction, including by establishing and licensing others to establish Centers in the Development Area, except to the extent any portion of the Development Area is included in the protected territory granted pursuant to any Franchise Agreement which has been executed between us and you or your affiliate pursuant to this Agreement. The fact that a default has been committed under this Agreement shall not, in itself, constitute a default under any Franchise Agreement executed pursuant to this Agreement. However, all of your (and your owners') obligations that expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to indemnification.

E. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity.

VI. TRANSFERABILITY

A. We shall have the right to transfer all or any part of our rights or obligations herein to any person or legal entity.

B. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and your owners and are granted in reliance upon your and your owners' business experience, personal qualifications, financial condition, etc. You have represented to us that you are entering into this Agreement with the intention of complying with your terms and conditions and not for the purpose of resale of the developmental rights hereunder. You, your owners, and your and their permitted successors or assigns shall not market or advertise for sale, sell, pledge, assign, transfer,

convey, give away, mortgage, or otherwise dispose of or encumber any interest in this Agreement or in you (collectively, a “transfer”).

C. Notwithstanding the foregoing, if pursuant to your request we consider allowing a transfer to take place, we may, at our discretion, condition such transfer in any manner we deem necessary and appropriate to protect the American Family Care brand and our interests in the System and this Agreement, including any of the following (each of which you agree is reasonable):

(1) you and any person or entity obligated under this Agreement or Guaranty must be in compliance with your or its obligations;

(2) you and the proposed transferee and its owners (if the transferee is not a natural person) must provide all information and documents we request regarding the transfer and the proposed transferee and its owners or affiliates;

(3) you must provide us with executed versions of any relevant documents to effect the transfer, and all other information we request about the proposed transfer;

(4) if you or the transferor offer the transferee financing for any part of the purchase price, all of the transferee’s obligations under promissory notes, agreements, or security interests reserved in your development rights must be subordinate to the transferee’s obligation to pay all amounts due to us, our affiliates, and third party vendors and otherwise agree to comply with this Agreement (or any applicable Franchise Agreement with us);

(5) you and your owners must sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents you and your transferring owners (and your or their immediate family members) must sign a non-competition covenant in favor of us, commencing on the effective date of the transfer and consistent with the post-term non-competition obligations contained in the most recent Franchise Agreement that you or your affiliates have signed with us;

(6) you must pay all amounts owed to us, our affiliates, and third-party vendors and must have submitted all required reports and statements under this Agreement and any Franchise Agreement with us;

(7) you and your owners must not have violated any provision of this Agreement or any other agreement with us or our affiliates during both the 60-day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(8) the transferee, at our request, must sign our then-current form of area development agreement and related documents, incorporating the remainder of your Development Schedule. Any and all other provisions of our then-current form of area development agreement may differ materially from any and all of those contained in this Agreement;

(9) you must pay or cause to be paid to us a transfer fee in an amount equal to \$25,000; and

(10) the transfer of this Agreement must not be made separate and apart from the transfer to the same transferee of all Franchise Agreements that were signed pursuant to this Agreement.

VII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be mailed, postage prepaid, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notice to us: AFC Franchising, LLC
3700 Cahaba Beach Road
Birmingham, Alabama 35242

Notices to you: _____

All written notices, reports, and payments permitted or required to be delivered by this will be deemed to be delivered on the earlier of the date of actual delivery or one of the following:

- (1) one business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or
- (2) three business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Notices must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two days before then) will be deemed delinquent.

VIII. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, servant or franchisee of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

B. You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement and take such actions as shall be necessary to that end.

C. The parties understand and agree that nothing in this Agreement authorizes any party to make any contract, agreement, warranty or representation on the other party's behalf or to incur any debt or other obligation in the other party's name.

D. You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, managers, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional

misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section VIII.D.

IX. NON-WAIVER

No failure by us to exercise any power reserved to us in this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default shall not affect or impair our right in respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance, or an omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

X. SEVERABILITY AND CONSTRUCTION

A. This Agreement shall be deemed severable. If, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

B. Nothing in this Agreement shall confer upon any person or legal entity other than us or you and such of our respective successors and assigns as may be contemplated by Section VI hereof, any rights or remedies under or by reason of this Agreement.

C. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

D. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all the parties hereto on behalf of you. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. “Including” means “including, without limitation.” References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement or an ownership interest in you). References to a “person” means any

natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

XI. ENTIRE AGREEMENT-APPLICABLE LAW

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, and representations. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. No amendment, modification or alteration of this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement and all claims arising from the relationship between us and you will be governed by the laws of the State of Alabama.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Indiana, Illinois, Maryland, Michigan, Minnesota, North Dakota, New York, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin: 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.

XII. DISPUTE RESOLUTION

A. We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor’s or assign’s then current principal place of business (currently, Hoover, Alabama). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this

arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

Subject to the obligation to arbitrate as described in this Section XII above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Hoover, Alabama), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

B. Except for your obligation to indemnify us and other Indemnified Parties, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

C. Nothing in this Agreement, including the provisions of Section XII, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

D. The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

E. EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

XIII. GUARANTY AND ASSUMPTION OF OBLIGATIONS

If you are not a natural person, you agree, represent and warrant to us that: (i) you were validly formed and are and will maintain, throughout the term of this Agreement and in each jurisdiction included in the Development Area, your existence, good standing, and qualification to conduct business; (ii) Exhibit A accurately reflects information regarding all of your owners and their interests in you as of the Effective Date; (iii) each of your owners and their spouses will sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations, the current form of which is attached as Exhibit B; (iv) you will designate, subject to our approval, one of your owners who is a natural person and who will have the authority of a chief executive officer who is and will be authorized, on your behalf, to deal with us in all matters that arise in respect of your exercise of development rights under this Agreement (the “Managing Owner”); (v) the only business that you will own or operate during the term of this Agreement will be the activities described in the Agreement and the ownership and operation of Centers pursuant to Franchise Agreements with us; and (vi) at our request, you will furnish us with true and correct copies of all documents regarding your formation, existence, standing, and governance.

XIV. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

AFC FRANCHISING, LLC, an Alabama
limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN AFC FRANCHISING, LLC AND

DATED _____, 20____

1. The Development Area is the geographical area described as follows:

Any political boundaries described above shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

2. As of the end of each Development Period set forth below, you must have open and in operation in the Development Area, pursuant to Franchise Agreements, the number of Centers set forth below:

<u>Development Period</u>	New Centers Opened During Development Period*	New Centers Operating by End of Development Period*
_____ to _____		
_____ to _____		
_____ to _____		
_____ to _____		
_____ to _____		

*Includes the Center developed or to be developed pursuant to the Franchise Agreement signed immediately prior to execution of this Agreement.

For purposes hereof, a Center that is permanently closed after having been opened, other than as a result of noncompliance by you with the terms of the applicable Franchise Agreement, shall be deemed open for a period of 6 months after the last day it was open for business, provided that: (i) during such period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Center within the Development Area pursuant to a new Franchise Agreement therefor; and (ii) by the end of such 6 month period or Development Period, whichever is later, you have the replacement Center open and operating in compliance with the Franchise Agreement therefor.

3. The Development Fee shall be _____ Dollars (\$ _____), credited toward the initial franchise fees under Franchise Agreements as follows:

- a. 1st Franchise Agreement - \$25,000
- b. 2nd Franchise Agreement - \$22,500 each
- c. 3rd Franchise Agreement (as applicable) - \$22,500
- d. 4th and subsequent Franchise Agreements (as applicable) - \$18,000 each

4. Developer Owners.

Name	Residential And Email Address	Type of Interest	Percentage Held
Managing Owner:			

FRANCHISOR:

AFC FRANCHISING, LLC
An Alabama limited liability company

By: _____
Print Name: _____
Title: _____

DEVELOPER:

By: _____
Print Name: _____
Title: _____

EXHIBIT B
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN AFC FRANCHISING, LLC AND

DATED _____, 20____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____ 20____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith (the "Agreement") by AFC Franchising, LLC ("we," "us," or "our"), the undersigned hereby personally and unconditionally: (1) guarantees to us, and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Developer") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he or she may be entitled.

The undersigned consents and agrees that: (1) he or she will render any payment or performance required under this Agreement upon demand if Developer fails or refuses punctually to do so; (2) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (3) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; (4) at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Developer under the Agreement; and (5) his or her direct and immediate liability under this Guaranty and Assumption of Obligations will be joint and several, both with Developer and other guarantors. .

The undersigned consents and agrees that any claims he or she may have against Developer or any third-party are, and will be, subordinate to this Guaranty and Assumption of Obligations.

The provisions of Sections IX. to XII. of the Agreement are incorporated into this Guaranty and Assumption of Obligations by reference and shall govern this Guaranty and Assumption of Obligations and any disputes between the undersigned guarantors and us. The undersigned guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty and Assumption of Obligations.

Each undersigned guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Developer (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such guarantor (or on such guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Each guarantor represents and warrants that, if no signature appears below for such guarantor's spouse, such guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

By signing below, the undersigned spouse of each guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

IN WITNESS WHEREOF, the undersigned has hereunto signed this Guaranty and Assumption of Obligations on the same day and year as the Agreement was executed.

GUARANTORS:	SPOUSES OF GUARANTORS:
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____
Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____	Name: _____ Sign: _____ Address: _____ _____ _____ Email: _____

EXHIBIT C
CONVERSION ADDENDUM

CONVERSION ADDENDUM TO FRANCHISE AGREEMENT

THIS CONVERSION ADDENDUM to Franchise Agreement (this “**Addendum**”) by and between AFC Franchising, LLC (“**us**”), and _____ (“**you**”) is entered into simultaneously with the Franchise Agreement (as defined below).

RECITALS

- A. You currently own and operate an existing urgent care center at the Premises (the “**Existing Center**”) and have requested that we allow you to convert it to a Center and, once converted, operate it pursuant to the Franchise Agreement.
- B. You and we are entering into this Conversion Addendum to modify certain terms of the Franchise Agreement to accommodate the fact that the Existing Center is an existing business that will be converted to a Center.
- C. All terms used but not defined in this Addendum shall have the meanings given them in the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Addendum and in the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Certain Definitions. The section of the Franchise Agreement entitled “Certain Definitions” is supplemented and amended as follows:

(a) Competitive Business. The definition of “Competitive Business” is supplemented and amended by adding the following to the end of the paragraph:

Notwithstanding the foregoing and subject to your compliance with this Conversion Addendum, the Existing Center shall not be considered a Competitive Business prior to its conversion to a Center.

(b) Opening Date. The definition of “Opening Date” is deleted and replaced with the following:

“**Opening Date**” – the date on which, with our approval, you commence operation of your Center in accordance with the Franchise Agreement and this Conversion Addendum.

(c) Premises. The definition of “Premises” is deleted and replaced with the following:

“**Premises**” – the premises identified on Schedule A to this Conversion Addendum.

2. Location Acceptance. Section 2.1 of the Franchise Agreement is supplemented and amended as follows:

Unless and except to the extent any amendments are required pursuant to the Conversion Plan (defined below), your existing lease of the Premises is deemed accepted; and

3. Center Development. Section 2.2 of the Franchise Agreement is supplemented and amended by adding the following to the end of the Section:

You agree that your responsibilities described in this Section include the obligation to satisfy all requirements set forth in the Conversion Plan attached as Schedule A to this Conversion Addendum.

4. Royalty and Marketing Fund Contributions. You and we agree that your obligation to pay Royalty under Section 3.2 and Marketing Fund Contributions under Section 9.2 of the Franchise Agreement until you have commenced business as a Center.

5. Construction Management Service Fee. Section 3.6 of the Franchise Agreement (Construction Management Service Fee) is hereby deleted in its entirety.

6. Grand Opening Advertising Program. Section 9.4 of the Franchise Agreement (Grand Opening Advertising Program) is supplemented and amended by adding the following to the end of the Section:

Notwithstanding the foregoing, the “Grand Opening Advertising Program referenced in this Section shall mean a re-grand opening program to promote the conversion of the Existing Center to a Center.

7. Additional Acknowledgements. You represent and warrant that, prior to the Effective Date, neither you nor the Existing Center or its operations were associated with, a party to a contract with, or otherwise obligated to any third party pursuant to a license, franchise, joint venture, marketing or other such agreement.

8. Integration and Effect. This Addendum is an integral part of, and be incorporated into, the Franchise Agreement as if fully set forth therein. The provisions of this Addendum will govern, control, and supersede any inconsistent or conflicting provisions of the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

AFC Franchising, LLC

Ex. D ~~2025~~ 2025 10 State Administrators and Agents for Service of Process

~~1579.002.001/427090~~ 1579.002.002/441767

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of 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 appointed in some of the states listed.

ALABAMA

(agent for service of process)

Attn: Michael Chester
3700 Cahaba Beach Road,
Birmingham, Alabama 35244

CALIFORNIA

Department of Financial Protection &
Innovation:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7500

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce
and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer
Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

NYS Department of Law
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 Phone
(212) 416-6042 Fax

(agent for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – Fourteenth Floor
Bismarck, North Dakota 58505
(701) 328-4712

(agent for service of process)

Securities Commissioner
600 East Boulevard Avenue
State Capitol - Fourteenth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT E

**LIST OF FRANCHISEES (CURRENT FRANCHISEES AND FRANCHISEES WHO HAVE
LEFT THE SYSTEM OR NOT COMMUNICATED WITH FRANCHISOR)**

AFC Franchising, LLC

Ex. E – ~~2025~~[2025_10](#) List of Franchisees (Current Franchisees and Franchisees Who Have Left the System or Not Communicated with Franchisor)

~~1579.002.001/427092~~[1579.002.002/441778](#)

AFC Franchising, LLC

OPEN CENTERS AS OF DECEMBER 31, 2024

Serial No.	Franchisee Entity Name	Center Address	City	State	Zip Code	Center Phone #
1.	Urgento, LLC	5825 Kanan Rd,	Agoura Hills	California	91301	(425) 341-4577
2.	HMK Investments Anaheim, LLC	1711 W Katella Avenue,	Anaheim	California	92804	(714) 400-2959
3.	Parkhill LLC	2455 Sand Creek Unit 144,	Brentwood	California	94513	(925) 679-4876
4.	Love2Care, LLC	4200 Chino Hills Pkwy, Unit #800	Chino Hills	California	91709	(909) 606-6559
5.	Somagen Enterprises LLC	760 Otay Lakes Road,	Chula Vista	California	91910	(619) 821-2300
6.	SCAS Properties, Inc	3656 W Shaw Avenue,	Fresno	California	93711	(559) 550-6701
7.	Nosava, LLC	16912 San Fernando Mission Blvd,	Granada Hills	California	91344-4249	(818) 488-6160
8.	HMK Investments LLC ³¹	27522 Antonio Pkwy,	Mission Viejo	California	92694	(949) 267-3141
9.	Spindle HealthCare, Inc	5311 Hopyard Rd.,	Pleasanton	California	94588	(925) 202-2478
10.	Boni Graceful Services	191 East Alessandro Blvd, Suite 9A	Riverside	California	92508	(951) 749-5511
11.	SomaGen Enterprises, LLC	5671 Balboa Avenue,	San Diego	California	92111	(858) 800-2880
12.	SomaGen Enterprises, LLC	8260 Mira Mesa Blvd, A	San Diego	California	92126	(858) 900-3550
13.	SomaGen Enterprises V, LLC	8590 Rio San Diego Drive, #111	San Diego	California	92108	(619) 736-4600
14.	Somagen Enterprises VI, LLC	1740 Rosecrans St.,	San Diego	California	92106	(619) 790-7800
15.	Livwell Healthcare, Inc	594 El Camino Real,	Santa Clara	California	95050	(408) 516-2233
16.	CLH Management, LLC	19042 Soledad Canyon Rd,	Santa Clarita	California	91351	(661) 251-6300
17.	SomaGen Enterprises, LLC	10538 Mission Gorge Road, Suite 100	Santee	California	92071	(619) 456-0033
18.	California Family Urgent Care LLC	24329 Crenshaw Blvd., Suite A	Torrance	California	90505	(310) 868-8100
19.	CLH Management, LLC	27550 Newhall Ranch Road, Unit 203	Valencia	California	91355	(661) 251-6300
20.	Ronan Health, LLC	6335 Sheridan Blvd.,	Arvada	Colorado	80003	(720) 502-0466
21.	UCMS, Inc. ³¹	15372 E. Alameda Pkwy.,	Aurora	Colorado	80017	(303) 529-1100
22.	Urgent Care Solutions, LLC ³¹	10552 E Arizona Pl,	Aurora	Colorado	80012	(303) 343-6000
23.	UCMS, Inc. ³¹	7460 S. Gartrell Rd.,	Aurora	Colorado	80016	(303) 529-3300
24.	G&M Medical Group	2795 Pearl St., Unit 106	Boulder	Colorado	80302	(720) 961-9700
25.	G&M Medical Group, LLC	4800 Baseline Rd, Unit D106	Boulder	Colorado	80303	(720) 961-9700
26.	UCMS, Inc. ³¹	5700 New Abbey Lane, Promenade at Castle Rock	Castle Rock	Colorado	80108	(303) 963-9730
27.	Doctors Express Services Group, Inc.	8006 E. Arapahoe Road, Suite 100	Centennial	Colorado	80112	(303) 220-9168
28.	Bloom 4532, LLC ³¹	1942 E. Main St.,	Cortez	Colorado	81321	(970) 516-5500
29.	Urgent Care Solutions, LLC ³¹	1295 Colorado Blvd.	Denver	Colorado	80206	(303) 639-1000
30.	Urgent Care Solutions, LLC ³¹	2848 Colorado Blvd.	Denver	Colorado	80207	(303) 381-1100
31.	Urgent Care Solutions, LLC ³¹	2290 S Colorado Blvd.	Denver	Colorado	80222	(303) 756-4500
32.	Urgent Care Solutions, LLC ³¹	777 East Speer Blvd.	Denver	Colorado	80203	(303) 733-4000
33.	Urgent Care Solutions, LLC ³¹	3800 Irving Street.	Denver	Colorado	80211	(303) 477-6000
34.	Urgent Care Solutions, LLC ³¹	850 South Monaco Parkway, Suite 10	Denver	Colorado	80224-1569	(303) 935-1000
35.	MTM Urgent Care Solutions LLC	901 W Hampden Ave, Suite 103	Englewood	Colorado	80110-7330	(303) 761-1699
36.	Pursuit Medical Centers, LLC.	2804 S Timberline Rd.	Fort Collins	Colorado	80525	(970) 672-4026

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
37.	Urgent Care Solutions, LLC ³¹	760 South Colorado Blvd, Unit A	Glendale	Colorado	80246-1900	(303) 692-8000
38.	Bloom 4531, LLC ³¹	995 Independent Ave.	Grand Junction	Colorado	81505	(970) 609-2001
39.	Ronan Health, LLC	12105 West Alameda Parkway, Suite 100	Lakewood	Colorado	80228	(303) 988-3600
40.	Here and Now Healthcare, INC	9985 W. Remington Pl.	Littleton	Colorado	80128	(720) 818-8010
41.	G&M Medical Group, LLC	589 S. Hover St., Unit #500	Longmont	Colorado	80501	(720) 961-9700
42.	G&M Medical Group, LLC	1335 E South Boulder Road, Unit C, Louisville Plaza	Louisville	Colorado	80027	(720) 961-9700
43.	Ronan Health, LLC	2616 East 120th Avenue	Thornton	Colorado	80233	(720) 751-2910
44.	Quentin Medical Group, LLC	161 Boston Avenue	Bridgeport	Connecticut	06610	(203) 333-4400
45.	QMG4, LLC	4200 Main Street	Bridgeport	Connecticut	06606	(203) 916-5151
46.	QMG2, LLC	1918 Black Rock Turnpike	Fairfield	Connecticut	06825	(203) 583-8400
47.	QMG7, LLC	527 Elm St	New Haven	Connecticut	06511	(475) 321-5150
48.	QMG3, LLC	389 Bridgeport Avenue	Shelton	Connecticut	06484	(203) 567-4171
49.	Pincroft Capital Advisors, LLC	3000 Summer Street	Stamford	Connecticut	06905	(203) 969-2000
50.	QMG5, LLC	57 Monroe Turnpike	Trumbull	Connecticut	06842	(203) 590-6330
51.	HealthNation, LLC	340 Saw Mill Rd.	West Haven	Connecticut	06516	(203) 896-7000
52.	Sunshine Family Care, LLC	1013 N SR 434, Suite 1060	Altamonte Springs	Florida	32714	(407) 867-0008
53.	Unique Healthcare Systems, LLC	5925 Lakewood Ranch Road	Bradenton	Florida	34202	(941) 348-1201
54.	Sunshine Family Care, LLC.	3385 S US Hwy 17 92, Unit 285	Casselberry	Florida	32707	(407) 883-0908
55.	Unique Healthcare Systems, LLC	2650 Roosevelt Blvd	Clearwater	Florida	33760	(727) 754-2657
56.	Unique Healthcare Systems, LLC	1440 Main Street, Suite A	Dunedin	Florida	34698	(727) 275-9120
57.	FB Health Solutions, LLC	2501 E. Hallandale Beach Blvd.	Hallandale Beach	Florida	33009	(954) 932-0120
58.	Unique Healthcare Systems, LLC	2506 US Hwy 19	Holiday	Florida	34691	(727) 940-2274
59.	Spearhead Healthcare, Inc.	5812 Hollywood Boulevard	Hollywood	Florida	33021-9998	(954) 981-9111
60.	Unique Healthcare Systems, LLC	9040 Ulmerton Road	Largo	Florida	33771	(727) 201-8585
61.	Unique Healthcare Systems, LLC	7101 US 19N	Pinellas Park	Florida	33781	(727) 201-8585
62.	Unique Healthcare Systems, LLC	19580 Cochran Blvd.	Port Charlotte	Florida	33948	(941) 290-5491
63.	Unique Healthcare Systems, LLC	11608 Boyette Rd.	Riverview	Florida	33569	(813) 374-5638
64.	Unique Healthcare Systems, LLC	2241 66th Street North	Saint Petersburg	Florida	33710	(727) 498-4591
65.	Unique Healthcare Systems, LLC	11241 Park Blvd., Suite A	Seminole	Florida	33772	(727) 394-3828
66.	Code Purple, LLC ³¹	11234 Spring Hill Dr., Suite 10	Spring Hill	Florida	34609	(908) 304-2852
67.	Shaan and Associates, LLC	5001 Peachtree Boulevard, Suite 115	Chamblee	Georgia	30341	(770) 458-8929
68.	DX Management, LLC	1302 W. Walnut Ave.	Dalton	Georgia	30720	(762) 344-3320
69.	Muzzammil Medical LLC	4069 Cherokee St. NW Suite 400	Kennesaw	Georgia	30144	(470) 398-0822
70.	Quadrivium Health, LLC	1401 Johnson Ferry Rd. Suite 390	Marietta	Georgia	30062	(470) 250-1492
71.	Heal N Care, LLC	6841 Dempster St.	Morton Grove	Illinois	60053	(847) 353-9999

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
72.	Urgent Medical Care, LLC	1355 E. Ogden Ave., #109	Naperville	Illinois	60563	(630) 984-9480
73.	Urgent Medical Care, LLC	980 Plainfield Road	Willowbrook	Illinois	60527	(630) 541-6679
74.	Maria Medical Group, LLC	3161 North Rock Road, Suite A	Wichita	Kansas	67226	(316) 440-2712
75.	J & R Care Company, LLC	230 Waterman Drive	South Portland	Maine	04106-3635	(207) 358-3188
76.	Reform Health Management, LLC	3059 Solomons Island Road	Edgewater	Maryland	21037	(410) 956-3394
77.	Edge Healthcare, Inc	802 Pleasant Drive	Rockville	Maryland	20850	(240) 771-0801
78.	Health Rex, LLC	1398 Massachusetts Avenue, Unit #31	Arlington	Massachusetts	02474	(781) 648-4572
79.	Commonwealth Urgent Care, LLC	154 Great Road	Bedford	Massachusetts	01730	(781) 430-8161
80.	UCC Enterprises, LP	50 Dodge Street	Beverly	Massachusetts	01915	(978) 922-2171
81.	Sovereign Urgent Care, LLC	575 Boylston St.	Boston	Massachusetts	02116	(617) 869-0500
82.	Generation Helpers Braintree, LLC	485 Granite Street	Braintree	Massachusetts	02184	(781) 848-2273
83.	Liberty Urgent Care, LLC	90 Middlesex Turnpike	Burlington	Massachusetts	01803	(781) 270-4700
84.	Generation Helpers Chelmsford, LLC	45 Drumhill Road	Chelmsford	Massachusetts	01824-1503	(978) 446-7515
85.	HUC LLC	296 Main Street	Haverhill	Massachusetts	01830	(978) 203-3689
86.	Merrimack Valley Urgent Care, LLC	380 Merrimack Street	Methuen	Massachusetts	01844	(978) 975-0700
87.	Merrimack Valley Urgent Care, LLC	129 Turnpike Street	North Andover	Massachusetts	01845	(978) 470-0800
88.	Neprus Inc	956 Boston Providence Hwy	Norwood	Massachusetts	02062	(617) 395-4400
89.	NVR & SDD Convenient Care, LLC	339 Squire Rd. Suite 130-134	Revere	Massachusetts	02151	(781) 354-1485
90.	Freedom Urgent Care, LLC	16 Main Street	Stoneham	Massachusetts	02180	(781) 279-4000
91.	UCC Enterprises, LP	450 Paradise Road	Swampscott	Massachusetts	01907	(781) 691-9366
92.	Patriot Urgent Care, LLC	1030 Main Street	Waltham	Massachusetts	02451	(781) 894-6900
93.	Health Rex, LLC	376 Arsenal Street	Watertown	Massachusetts	02472	(617) 923-2273
94.	YAP Medical, LLC	3063 Oak Valley Dr.	Ann Arbor	Michigan	48103	(734) 492-0040
95.	AMF Wellness, LLC	39450 W. 14 Mile Rd.	Commerce Charter Twp	Michigan	48390	(248) 864-0010
96.	All-1 Health, Inc	1740 28th Street SE	Grand Rapids	Michigan	49418	(616) 323-3999
97.	Barr-1-Health, Inc.	2871 44th St SW	Grandville	Michigan	49518	(616) 410-7420
98.	Pelke Family Healthcare, LLC	91 Douglas Ave Suite 110	Holland	Michigan	49424	(616) 298-8124
99.	All-1 Health, Inc	345 Baldwin St.,	Jenison	Michigan	49428	(616) 294-8881
100.	Golden Bell Investments, LLC	415 17th Avenue N Suite 100, Suite 100	Hopkins	Minnesota	55343	(952) 931-1276
101.	Golden Bell Investments, LLC	13540 Grove Dr.	Maple Grove	Minnesota	55311	(952) 931-1276
102.	McFatter Family Medical, LLC	710 Highland Colony Pkwy Ste A	Ridgeland	Mississippi	39157	(601) 398-9886
103.	Cape UC Management, LLC	465 S Mount Auburn Road Suite 103	Cape Girardeau	Missouri	63703	(573) 335-2900
104.	Allmo Collective, LLC	320 Geneva Ave, Suite 100	Joplin	Missouri	64801	(417) 526-4232
105.	Sedalia Urgent Care, LLC	115 W. Broadway Blvd., #100	Sedalia	Missouri	65301	(660) 951-1091
106.	VWB, LLC	4004 N. 132nd Street, Suite 101	Omaha	Nebraska	68164	(402) 302-2273
107.	A3 Rajamand PLLC	3080 Vista Blvd.	Sparks	Nevada	89434	(775) 541-0200
108.	Neprus Hudson, Inc	3 Flagstone Dr. Unit A	Hudson	New Hampshire	03051	(603) 802-4050
109.	Integral Urgent Care Delta, LLC	1140 Route 34	Aberdeen	New Jersey	07747	(732) 583-5100

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
110.	Bellville UC, LLC	501 Washington Ave.	Belleville	New Jersey	07109	(862) 762-0585
111.	Infinity Medical Management INC	224 Bloomfield Ave.	Bloomfield	New Jersey	07003	(862) 283-0000
112.	Surface Interval Medical	601 W. Union Ave.	Bound Brook	New Jersey	08805	(732) 469-3627
113.	Integral Urgent Care Gamma, LLC	480 Pompton Avenue, Suite 6	Cedar Grove	New Jersey	07009	(973) 239-2300
114.	Integral Urgent Care Zeta, LLC	77 Central Ave.	Clark	New Jersey	07066	(732) 301-5114
115.	Clifton UC, LLC ³¹	889 Allwood Rd.	Clifton	New Jersey	07012	(862) 662-2221
116.	RASS Elizabeth II, LLC.	3130 NJ-10	Denville	New Jersey	07834	(973) 542-7710
117.	Deptford Urgent Care, LLC ³¹	1410 Delsea Drive	Deptford	New Jersey	08096	(856) 579-8897
118.	Manhattan Urgent Care Physicians, LLC	154 Route 10	East Hanover	New Jersey	07936	(973) 920-3090
119.	J & U One, LLC	400 Westfield Avenue,	Elizabeth	New Jersey	07208	(908) 677-5900
120.	BW Care Center, LLC ³¹	2001 College Drive, Suite 11	Gloucester Township	New Jersey	08021-5617	(856) 566-3333
121.	BPS Haledon Medical Associates, LLC	1 W Haledon Ave.	Haledon	New Jersey	07508	(862) 562-2090
122.	Starcare Med, Inc	1085 White Horse Avenue	Hamilton Township	New Jersey	08610	(609) 578-4170
123.	DRX Hillsdale, LLC	2 Broadway	Hillsdale	New Jersey	07642	(201) 523-9222
124.	Maryam Management, LLC	276 Passaic Ave Unit A	Kearny	New Jersey	07032	(201) 719-9371
125.	Convery Urgent Care LLC	1030 W. Edgar Rd.	Linden	New Jersey	07036	(908) 275-5922
126.	Lodi Center, LLC	269 Route 46	Little Ferry	New Jersey	07643	(551) 837-2051
127.	Integral Urgent Care Epsilon, LLC	90 Livingston Ave.	Livingston	New Jersey	07039	(973) 601-2626
128.	Memorial UC, LLC ³¹	2 Memorial Drive	Lodi	New Jersey	07644	(973) 788-8350
129.	Lyncare, LLC - NJ-Khettry-Lyndhurst-0803	560 New York Avenue	Lyndhurst	New Jersey	07071	(201) 345-3839
130.	Shivsai Urgent Care 3, LLC	352 Ryders Lane	Milltown	New Jersey	08816	(732) 638-1990
131.	SLK Enterprises, LLC.	1286 Springfield Ave.	New Providence	New Jersey	07974	(908) 402-3338
132.	Lyncare, LLC - NJ-Khettry-North Bergen-0808	2100 88th Street	North Bergen	New Jersey	07047	(201) 588-1300
133.	Shivsai Urgent Care, LLC	1120 Route 9 South	Old Bridge	New Jersey	08857	(732) 692-3677
134.	DRX Newark, 01, LLC	67 E Ridgewood Avenue	Paramus	New Jersey	07652	(201) 262-2010
135.	Rass Elizabeth, LLC	1160 US Highway 46	Parsippany	New Jersey	07054	(973) 313-8484
136.	Pennsauken UC, LLC ³¹	6630 South Crescent Blvd.	Pennsauken	New Jersey	08109	(856) 665-1010
137.	Convery Urgent Care LLC	1107 Convery Blvd.	Perth Amboy	New Jersey	08861	(732) 896-9962
138.	Stelton Urgent Care LLC	1315 Stelton Rd.	Piscataway	New Jersey	08854	(732) 339-3690
139.	Washington Urgent Care, LLC ³¹	475 Hurffville-Crosskeys Road	Sewell	New Jersey	08080	(856) 553-6611
140.	Quokka, LLC	704 Morris Turnpike	Short Hills	New Jersey	07078	(973) 671-5350
141.	110 Care LLC	120 Cedar Grove Lane	Somerset	New Jersey	08873	(732) 307-8886
142.	Integral Urgent Care Beta, LLC	907 Oak Tree Avenue, Suite H	South Plainfield	New Jersey	07080-5131	(908) 222-3500
143.	Sarachi, LLC	278 Route 10 West	Succasunna	New Jersey	07876	(862) 477-5288
144.	HS Ventures, LLC	2360 Lakewood Rd (Route 9)	Toms River	New Jersey	08755	(732) 719-7788
145.	JEM Medical Enterprises, LLC	4200 Bergenline Ave	Union City	New Jersey	07087	(551) 257-1948
146.	EZ Medical Management, LLC	214 State Highway 36	West Long Branch	New Jersey	07764	(732) 222-8000

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
147.	Integral Urgent Care Alpha, LLC	464 Eagle Rock Ave, Suite C	West Orange	New Jersey	07052	(973) 669-5900
148.	Williamstown Urgent Care, LLC ³¹	165 South Blackhorse Pike	Williamstown	New Jersey	08094	(856) 516-4700
149.	Woodbury Urgent Care LLC ³¹	875 Mantua Pike	Woodbury	New Jersey	08096	(856) 566-3333
150.	Bloom 4201 Farmington, LLC	2930 East Main Street	Farmington	New Mexico	87402	(505) 847-3445
151.	DR Partners, LLC	5 North Airmont Road, Suite 4	Airmont	New York	10901	(845) 547-0300
152.	Vivek Singhal	3400 Boston Rd.	Bronx	New York	10469	(718) 290-8787
153.	CGP Ventures, LLC	5546 Broadway	Bronx	New York	10463	(917) 688-4590
154.	CGP Ventures, LLC	332 E 149th Street, N/A	Bronx	New York	10451	(347) 329-4010
155.	LVMD Venture, LLC	843 Hutchinson River Parkway	Bronx	New York	10465-1818	(718) 925-4400
156.	Med-Care Partners, LLC	1210 Webster Avenue	Bronx	New York	10456-4208	(646) 612-7747
157.	Vivek Singhal	2128 Rockaway Pkwy.	Brooklyn	New York	11236	(718) 489-8820
158.	Rudra Health Management Inc	1874 B Route 6, N/A	Carmel Hamlet	New York	10512	(914) 380-8588
159.	Madison Chris , LLC	2310 Hempstead Turnpike	East Meadow	New York	11554	(516) 346-5090
160.	Vivek Singhal	464 Atlantic Avenue	East Rockaway	New York	11518	(516) 730-3344
161.	Madison Chris Farmingdale, LLC ³¹	1037 Fulton Street	Farmingdale	New York	11735	(631) 576-4190
162.	Alliance Medical Partners, LLC	133-37 41st Avenue	Flushing	New York	11355	(347) 783-6009
163.	NYCT Urgent Care 01, LLC	359 North Central Avenue, Dalewood Shopping Center	Hartsdale	New York	10530-1811	(914) 448-2273
164.	Vivek Singhal	135-25 79th Street, Suite G	Howard Beach	New York	11414	(718) 925-3475
165.	Excelsior NY, LLC	203 Gramatan Avenue, Ste A	Mt. Vernon	New York	10550	(914) 202-4830
166.	DZA Ventures, LLC	42 Rockland Plaza, Ste 22	Nanuet	New York	10954	(845) 367-7395
167.	Madison Chris Patchogue, LLC	24 Railroad Ave.	Patchogue	New York	11772	(631) 615-7439
168.	Manhattan Urgent Care Physicians, PLLC	50 Westchester Ave	Port Chester	New York	10601	(914) 460-7740
169.	EMERG Care LLC	213-04 Northern Blvd	Queens	New York	11361	(929) 744-1197
170.	Vivek Singhal	23315 Hillside Ave	Queens Village	New York	11427	(781) 210-1940
171.	Vivek Singhal	1585 Dutch Broadway	Valley Stream	New York	11580	(516) 490-6300
172.	Madison Chris West Islip, LLC ³¹	125 Sunrise Highway	West Islip	New York	11795	(631) 983-4084
173.	Rudra Health Management Inc	3379 Crompond Road	Yorktown Heights	New York	10598	(914) 930-5550
174.	Formative Solutions, LLC ¹	910 US Highway 64	Apex	North Carolina	27523	(919) 703-1952
175.	DX Management, LLC	1 Brian Blvd., Unit 102	Arden	North Carolina	28704	(828) 641-0960
176.	Formative Solutions, LLC ¹	101 Maynard Crossing Court	Cary	North Carolina	27513-8723	(919) 651-9867
177.	DX Management, LLC	16704 Hawfield Way Drive, Ardrey Kell Rd.	Charlotte	North Carolina	28277	(704) 337-0221
178.	DX Management, LLC	4128 Monroe Road	Charlotte	North Carolina	28205	(704) 337-0133
179.	DX Management, LLC	440 Tyvola Rd.	Charlotte	North Carolina	28217	(704) 228-1784
180.	2J3O Dunn, LLC ³¹	2100 W Cumberland St.	Dunn	North Carolina	28334	(910) 304-0112
181.	EZCARE Management BG-NC1, LLC	6400 Fayetteville Rd.	Durham	North Carolina	27713	(919) 551-2000

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
182.	2J3O Sanford LLC	1298 N Main Street	Fuquay Varina	North Carolina	27526	(919) 590-4099
183.	DX Management, LLC	1908 E. Franklin Blvd, Suite 100	Gastonia	North Carolina	28054-4742	(704) 271-1215
184.	AJMF Enterprises, LLC	1653 New Garden Rd.	Greensboro	North Carolina	27410	(336) 609-6000
185.	DX Management, LLC	955 2nd Street NE	Hickory	North Carolina	28601	(828) 419-1105
186.	High Point Healthcare Partners, LLC	2305 N Main St, Suite 101	High Point	North Carolina	27262	(336) 884-4050
187.	DX Management, LLC	14221 Boren St.	Huntersville	North Carolina	28078	(980) 306-5911
188.	DX Management, LLC	14001 East Independence Blvd, Suite C	Indian Trail	North Carolina	28079	(704) 337-0133
189.	DX Management, LLC	314 Blowing Rock Blvd	Lenoir	North Carolina	28645	(828) 237-2287
190.	DX Management, LLC	295 Williamson Road	Mooreville	North Carolina	28117	(980) 444-2003
191.	DX Management, LLC	10102 Johnston Road	Pineville	North Carolina	28210-8203	(704) 247-6758
192.	GusNat Management Services, Inc	2913 Wake Forrest Drive	Raleigh	North Carolina	27609	(919) 899-4000
193.	2J3O Sanford LLC ³¹	2000 S Horner Blvd.	Sanford	North Carolina	27330	(919) 352-9538
194.	DX Management, LLC	210 Turnersburg Hwy Suite C	Statesville	North Carolina	28625	(704) 924-4740
195.	2J3O Wendell, LLC ³¹	2200 Treelight Way	Wendell	North Carolina	27591	(919) 374-0900
196.	Mays Medical Associates. LLC	348 S College Rd.	Wilmington	North Carolina	28403	TBD
197.	CHP 2, LLC ³¹	3714 Madison Rd.	Cincinnati	Ohio	45209	(513) 204-1500
198.	S&S Care Solutions, LLC	11294 Montgomery Rd.	Cincinnati	Ohio	45249	(513) 815-7000
199.	Suhas LLC	9110 Mentor Ave.	Mentor	Ohio	44060	(440) 701-8030
200.	CHP 1, LLC ³¹	7570 Voice of America Centre Dr.	West Chester	Ohio	45069	(513) 779-6600
201.	Hygeia, LLC	14278 SW Allen Blvd.	Beaverton	Oregon	97005	(503) 305-6262
202.	Hygeia, LLC	1071 SE Tualatin Valley Hwy,	Hillsboro	Oregon	97123	(503) 305-6262
203.	Hygeia, LLC	397 Warner-Milne Road	Oregon City	Oregon	97045-4045	(503) 305-6262
204.	Hygeia, LLC (4902)	11786 NW Cedar Falls Drive	Portland	Oregon	97229	(503) 305-6262
205.	Hygeia, LLC	6633 NE Sandy Blvd.	Portland	Oregon	97213	(503) 305-6262
206.	Hygeia, LLC	11675 SW Pacific Hwy.	Tigard	Oregon	97223	(503) 305-6262
207.	LUC, LLC	780 North Krocks Road, Suite 101	Allentown	Pennsylvania	18106	(610) 365-3354
208.	Delco Urgent Care, LLC ³¹	5024 Pennell Road	Aston	Pennsylvania	19014-1868	(484) 766-3502
209.	MHP Consolidated LLC ³¹	48A E Ridge Pike, Whitmarsh Shopping Center	Conshohocken	Pennsylvania	19428	(484) 243-6735
210.	18 North Church, LP (FC)	150 E. Pennsylvania Ave, Suite 140	Downingtown	Pennsylvania	19335	(610) 518-1060
211.	K3 Med, LLC ³¹	1745 S. Easton Rd.	Doylestown	Pennsylvania	18901	(267) 880-4200
212.	Frazer Urgent Care LLC	215 Lancaster Ave.	Frazer	Pennsylvania	19355	(484) 329-6600
213.	Delco Urgent Care II, LLC ³¹	115 West Eagle Road	Havertown	Pennsylvania	19083	(484) 452-9400
214.	Delco Urgent Care, LLC ³¹	2623 Macdade Blvd.	Holmes	Pennsylvania	19043	(267) 635-6060
215.	MHP Consolidated LLC	300 Old Forge Ln.	Kennett Square	Pennsylvania	19348	(484) 778-8000
216.	Whitstone Health Partners, LLC.	1551 S. Valley Forge Rd.	Lansdale	Pennsylvania	19446	(267) 645-4200

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
217.	Platinum Brands, Inc	173 Levittown Parkway, Suite 24A	Levittown	Pennsylvania	19054	(215) 648-9000
218.	Buch Medical Corp	934 Montgomery Avenue	Narberth	Pennsylvania	19072	(484) 270-8600
219.	K3 Med, LLC ³¹	2873 S. Eagle Rd.	Newtown	Pennsylvania	18940	(267) 364-6477
220.	MHP Consolidated LLC ³¹	9998 Frankford Avenue	Philadelphia	Pennsylvania	19114	(267) 669-1101
221.	MHP Consolidated LLC ³¹	180 W Girard Avenue	Philadelphia	Pennsylvania	19123	(267) 319-8047
222.	Swift Doc UC, LLC	1436 W Passyunk Ave.	Philadelphia	Pennsylvania	19145	(215) 977-4820
223.	MHP Consolidated LLC ³¹	5708 Ridge Ave.	Philadelphia	Pennsylvania	19128	(267) 440-7779
224.	Equinox Medical, LLC	265 Schuylkill Rd.	Phoenixville	Pennsylvania	19460	(610) 255-7805
225.	AR Medical Maester, LLC	715-B PA-113,	Souderton	Pennsylvania	18964	(267) 382-3220
226.	Gabbaud Health, LLC	511 Second Street Pike	Southampton	Pennsylvania	18966	(267) 669-1660
227.	K3 Med, LLC ³¹	930 Street Rd.	Warminster	Pennsylvania	18974	(267) 387-5200
228.	K3 Med, LLC ¹	781 Easton Road	Warrington	Pennsylvania	18976-2019	(215) 874-3209
229.	Ludwick Management, LLC	510 E. Gay Street	West Chester	Pennsylvania	19380	(484) 999-0204
230.	Akashar Purushottam Corporation	2848 Moreland Road	Willow Grove	Pennsylvania	19090	(267) 495-5455
231.	MHP Consolidated LLC ³¹	2401 West Cheltenham Avenue, Suite 132	Wyncote	Pennsylvania	19095-2593	(215) 935-6777
232.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	3710 Clemson Blvd.	Anderson	South Carolina	29621	(864) 760-1050
233.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	2746 Boiling Springs Road	Boiling Springs	South Carolina	29316	(864) 586-3923
234.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	1667 East Main Street	Duncan	South Carolina	29334	(864) 485-2610
235.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	5208 Calhoun Memorial Highway	Easley	South Carolina	29640	(864) 307-8672
236.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	1800 Augusta Street, Suite B	Greenville	South Carolina	29605	(864) 412-7812
237.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	649 Haywood Road	Greenville	South Carolina	29607	(864) 523-7298
238.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	3213 North Pleasantburg Drive	Greenville	South Carolina	29609	(864) 467-2005
239.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	2709 Pelham Road, Suite B	Greenville	South Carolina	29615	(864) 537-0057
240.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	2310 Wade Hampton Blvd.	Greenville	South Carolina	29615	(864) 292-5915
241.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	1467 Woodruff Road, Suite C	Greenville	South Carolina	29605	(864) 548-8126
242.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	474 Bypass 72NW, Suite B	Greenwood	South Carolina	29649	(864) 223-3858
243.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	1494 West Wade Hampton Boulevard, Suite C	Greer	South Carolina	29650	(864) 849-8999
244.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	925 W. Butler Road	Mauldin	South Carolina	29607	(864) 588-5006
245.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	3613 Highway 153	Powdersville	South Carolina	29611-7516	(864) 307-8840
246.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	13400 Clemson Blvd	Seneca	South Carolina	29678	(864) 506-8990
247.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	3930 Grandview Drive	Simpsonville	South Carolina	29860	(864) 757-5059
248.	Bon Secours Ambulatory Services - St. Francis, LLC ³¹	8161 Warren H Abernathy Hwy	Spartanburg	South Carolina	29301	(864) 215-3729
249.	DX Management, LLC	2037 S. Congress Parkway	Athens	Tennessee	37303	(423) 381-0152
250.	DX Management, LLC	1521 Gunbarrel Road, Suite 103	Chattanooga	Tennessee	37421	(423) 531-0911
251.	DX Management, LLC	170 Mouse Creek Road	Cleveland	Tennessee	37312-3840	(423) 458-1426

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
252.	DX Management, LLC	700 North Campbell Station Road	Farragut	Tennessee	37934	(865) 288-0119
253.	DX Management, LLC	5546 Highway 153, Suite 120	Hixson	Tennessee	37343	(423) 486-1911
254.	DX Management, LLC	7564 Chapman Highway	Knoxville	Tennessee	37920	(865) 951-1103
255.	DX Management, LLC	6108 Kingston Pike	Knoxville	Tennessee	37919	(865) 299-6192
256.	DX Management, LLC	5150 North Broadway	Knoxville	Tennessee	37918	(423) 240-8395
257.	Harper Medical, LLC ²¹	5475 Poplar Avenue, Estes Park-Suite 106	Memphis	Tennessee	38119	(901) 254-8040
258.	DX Management, LLC	275 South Illinois Avenue,	Oak Ridge	Tennessee	37830	(865) 413-0185
259.	DX Management, LLC	9058 Old Lee Highway	Ooltewah	Tennessee	37363	(423) 531-9110
260.	Athena Care, Inc	233 E Emory Rd., Suite 111	Powell	Tennessee	37849	(865) 250-0135
261.	DX Management, LLC	713 Winfield Dunn Parkway, #9	Sevierville	Tennessee	37876	(865) 429-9110
262.	Red Stick Urgent Cares I LLC	596 E. Stacy Road, Ste. 1110	Allen	Texas	75002	(469) 898-0199
263.	ATX Medtech, LLC	6600 S. MoPac Expy. Suite 2180	Austin	Texas	78749	(512) 522-3010
264.	First Care Austin, LLC. ³¹	2510 West Parmer Lane Suite 100	Austin	Texas	78727	(512) 666-4041
265.	Garth Care, LLC	6040 Garth Road Suite 100	Baytown	Texas	77521	(281) 503-9000
266.	Xpress Baytown Urgent Care, LLC	8831 TX-146, Suite A	Baytown	Texas	77523	(281) 573-4100
267.	ZAR Ventures, LLC	3195 Dowlen Road, Suite 105	Beaumont	Texas	77706-7272	(409) 860-1888
268.	RapidHealth, LLC	2402 Bay Area Blvd.	Clear Lake	Texas	77062	(832) 650-0604
269.	FTA Holdings, LLC.	760 N. Denton Tap Rd., Suite R150	Coppell	Texas	75019	(945) 229-0020
270.	JF Urgent Care, LLC ¹	9740 Barker Cypress Road, #108, Stonegate Shopping Center	Cypress	Texas	77433	(281) 944-8013
271.	JF Urgent Care, LLC ¹	22310 FM 529 Rd., Suite 200	Cypress	Texas	77433	(713) 444-7053
272.	Texas Urgent Care, LLC	13621 Skinner Rd., Suite 100	Cypress	Texas	77429	(281) 754-3034
273.	Kirby Care, LLC	2715 Bissonnet Street	Houston	Texas	77005	(713) 666-7050
274.	JF Urgent Care, LLC ³¹	6340 N Eldridge Pkwy, Ste O	Houston	Texas	77041	(346) 389-7919
275.	Greenhouse Road, LLC	1922 Greenhouse Rd., Suite 100	Houston	Texas	77084	(281) 225-0101
276.	JF Urgent Care, LLC ³¹	9333 Katy Freeway, Suite C	Houston	Texas	77024	(713) 444-7053
277.	JGBG, LLC Series A	10850 Louetta Road, Suite 1500	Houston	Texas	77070	(281) 320-2338
278.	Channelview Care, LLC	15236 Wallisville Road	Houston	Texas	77049	(281) 862-8955
279.	Houston Urgent Care, LLC	5568 Wesleyan Street, Wesleyan Plaza	Houston	Texas	77005	(713) 666-7050
280.	Texas Urgent Care, LLC	6405 West Rd.	Houston	Texas	77086	(832) 378-8993
281.	JGBG, LLC Series B	107 Yale Street, Suite 200	Houston	Texas	77007	713-7861-6060
282.	Humble TX Care, LLC	9455 N. Sam Houston Pkwy E	Humble	Texas	77396	(281) 175-1734
283.	Urgent Care FM 1463, llc	6445 FM 1463 Rd. Ste.230	Katy	Texas	77494.	(281) 767-2141
284.	Kingwood TX Care, LLC	1448 Kingwood Dr.	Kingwood	Texas	77339	(281) 549-0007
285.	Laporte Urgent Care, LLC	8850 Spencer Highway	LaPorte	Texas	77571	(281) 946-9980
286.	St. Nicolas Health Care LLC	1921 W League City Parkway, Suite 130	League City	Texas	77573	(281) 937-2590
287.	Richmond Care, LLC.	3415 FM 762, Suite 180	Richmond	Texas	77469	(281) 699-5680
288.	ASAP Texas Care LLC	18310 West Airport Blvd, Suite 100	Richmond	Texas	77498-5032	(832) 551-3503
289.	MedSphere Management Group, LLC	4724 Lakeview Pkwy., Suite 300	Rowlett	Texas	75088	(469) 947-6240
290.	Post Oak Group Ventures LLC	3551 Highway 6	Sugar Land	Texas	77478	(281) 277-0036

<u>Serial No.</u>	<u>Franchisee Entity Name</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Center Phone #</u>
291.	Ultimate Care Austin, LLC	3614 SW HK Dodgen Loop, Wildflower Court, Suite F	Temple	Texas	76504	(254) 295-0117
292.	Urgent Care Woodlands, LLC	6777 Woodlands Parkway, Ste 300	The Woodlands	Texas	77382	(281) 429-8698
293.	Texas urgent Care, LLC	14099 FM 2920 Rd, Suite A,	Tomball	Texas	77377	(281) 803-9828
294.	American Sunrise Care - ASC - LLC	9276 Old Keene Mill Rd.	Burke	Virginia	22015	(571) 516-3116
295.	Behl Health Care Support Organization, LLC ¹	4101 Dominion Blvd, Suite 300	Glen Allen	Virginia	23060	(804) 747-5555
296.	Midlothian Family Care, LLC	12731 Stone Village Way	Midlothian	Virginia	23113	(804) 379-1500
297.	Behl Health Care Support Organization, LLC ¹	1119 N Military Hwy, Suite 300	Norfolk	Virginia	23502	(757) 240-3500
298.	Roanoke Valley Healthcare Partners, LLC	602 Brandon Avenue SW, Suite 222	Roanoke	Virginia	24015-3212	(540) 774-0000
299.	BCC Franchises, LLC	1013 University Blvd, Suite 270	Suffolk	Virginia	23435	(757) 335-4755
300.	Behl Health Care Support Organization, LLC ³¹	1721 Laskin Rd., Suite 101	Virginia Beach	Virginia	23454	(757) 240-3500
301.	BCC Franchises, LLC	4520 Princess Anne Rd.	Virginia Beach	Virginia	23462	(757) 335-4755
302.	American Greatest Care, LLC	14087 Richmond Hwy, Unit 101	Woodbridge	Virginia	22191	(571) 300-8000
303.	AW Holdings Dale City, LLC	4101 Cheshire Station Plaza	Woodbridge	Virginia	22193	(571) 374-1234
304.	Pacific Northwest Medical Group, LLC	18012 West Valley Hwy, Suite 101	Kent	Washington	98032	(425) 291-5300

¹. [This agreement was signed pursuant to an Area Development Agreement.](#)

FRANCHISEES WHO SIGNED BUT ARE NOT YET OPENED

AS OF DECEMBER 31, 2024

<u>SL NO</u>	<u>FRANCHISEE ENTITY NAME</u>	<u>CENTER ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>PHONE</u>
1.	Rapid Response Care, Inc	12716 Stockdale Hwy	Bakersfield	California	(661) 487-5404
2.	Carehealth Medical Group, LLC	8345 Pine Ave., Suite 140	Chino	California	(714) 326-7899
3.	Elixir Vitae	1257 Willow Pass Rd.	Concord	California	(650) 245-7144
4.	LOVE4CARE, INC	2790 Cabot Dr., Suite 145	Corona	California	(214) 551-4321
5.	A3 Medical Management LLC	2001 McHenry Ave. Suite L	Modesto	California	(209) 846-3442
6.	RSM Partners Inc ¹	30465 Avenida de las Flores, Suite A	Rancho Santa Margarita	California	(949) 264-6001
7.	Inder Bahia	TBD	TBD	California	(310) 951-4144
8.	Somagen Enterprises VI, LLC	TBD	TBD	California	(800) 495-0054
9.	Somagen Enterprises VI, LLC	TBD	TBD	California	(619) 281-2580
10.	James Estes	TBD	TBD	California	(949) 793-0001
11.	Urgent Health Team	TBD	TBD	California	(818) 216-4639
12.	Viniti Health Corporation	TBD	TBD	California	(661) 204-4459
13.	Trang Luong	TBD	TBD	California	(714) 622-8019
14.	KA Three Group Inc.	TBD	TBD	California	(650) 544-6122
15.	Jeffrey Toy	TBD	TBD	California	(415) 823-3397
16.	Urgento, LLC	475 E. Avenida de los Arboles	Thousand Oaks	California	(818) 483-0885
17.	Vital Health Management	535 E. Main St.	Tustin	California	(714) 331-0040
18.	Ram Das Health Group, LLC	7076 Sepulveda Blvd	Van Nuys	California	(818) 518-6944

SL NO	FRANCHISEE ENTITY NAME	CENTER ADDRESS	CITY	STATE	PHONE
19.	Urgent Care Solutions, LLC ²	11310 E Colfax Ave	Aurora	Colorado	(303) 343-6000
20.	Bloom Care, LLC ²	7130 N. Academy	Colorado Springs	Colorado	(970) 565-1919
21.	Urgent Care Solutions, LLC ²	3177 N Downing St.	Denver	Colorado	(303) 343-6000
22.	Urgent Care Solutions, LLC ²	3722 W. Colfax Ave.	Denver	Colorado	(303) 570-8200
23.	Caughman Management LLC	TBD	TBD	Colorado	(937) 902-2121
24.	Tafadzwa Muchineripi	TBD	TBD	Colorado	(303) 389-1164
25.	Sandeep Panditta	TBD	TBD	Colorado	(949) 373-6167
26.	Ronan Health, LLC	TBD	TBD	Colorado	(303) 396-7206
27.	A&B Urgent Care, LLC	1905 Cortez Rd.	Bradenton	Florida	(224) 717-9513
28.	Hanna Primary Group, LLC	TBD	Santa Rosa	Florida	(770) 380-0648
29.	Code Purple LLC ²	5766 Bronx Ave	Sarasota	Florida	(908) 304-2852
30.	Ramkrishna Patel ²	TBD	TBD	Florida	(973) 449-3177
31.	Unique Healthcare Systems, LLC	TBD	TBD	Florida	(727) 201-8585
32.	Code Purple, LLC ²	TBD	TBD	Florida	(908) 304-2852
33.	ZSC Enterprises, LLC	TBD	TBD	Georgia	(678) 458-9866
34.	Shaan and Associates, LLC	TBD	TBD	Georgia	(404) 932-0633
35.	Neel Patel (GA)	TBD	TBD	Georgia	(606) 510-7784
36.	Premier Urgent Care	4769 W. 22nd St.	Cicero	Illinois	(312) 860-0770
37.	Your Healthcare Source PLLC. ¹	1366 S. Milwaukee Ave.	Libertyville	Illinois	(847) 236-0323
38.	Mobolanle Ayodeji	TBD	TBD	Maryland	(301) 437-1173
39.	Zink Medical, LLC	500 Westgate Dr.	Brockton	Massachusetts	(781) 901-2510
40.	National Urgent Care, LLC. ¹	1210 Boylston St.	Chestnut Hill	Massachusetts	(617) 582-2200
41.	MAF, LLC	591 Memorial Dr.	Chicopee	Massachusetts	(413) 888-0449
42.	Petter Etholm	TBD	TBD	Massachusetts	(617) 510-4086
43.	NVR & SDD Convenient Care, LLC	TBD	TBD	Massachusetts	(781) 354-1485
44.	Sovereign Urgent Care, LLC ¹	1019 Trapelo Rd	Waltham	Massachusetts	(781) 701-0900
45.	Alba Medical Management, LLC	570 Route 1 North Avenue	Avenel	New Jersey	(732) 939-5487
46.	Cinnaminson Urgent Care LLC ¹	1210 US 130 #1438,	Cinnaminson	New Jersey	(856) 829-0407
47.	Umang Nagpal ^{1, 2}	117 Spring St.	Elizabeth	New Jersey	(908) 570-5801
48.	Shivsai Urgent Care 3, LLC	3309 Route 9	Freehold	New Jersey	(732) 692-3677
49.	Kurban Ruzehaji ²	TBD	Harrison	New Jersey	(347) 268-8571
50.	Pennsville Urgent Care LLC ¹	251 N Broadway Suite 5A	Pennsville	New Jersey	(856) 678-3469
51.	Sarachi, LLC ²	1225 US-22	Pohatcong	New Jersey	(347) 653-2738
52.	Infinity Medical Management INC	TBD	TBD	New Jersey	(201) 855-9152
53.	Infinity Medical Management INC	TBD	TBD	New Jersey	(201) 855-9152
54.	Joe Castelano	TBD	TBD	New Jersey	(555) 555-5555
55.	Divyesh Patel	TBD	TBD	New Jersey	(732) 692-3677
56.	Murray Doueck	TBD	TBD	New Jersey	(917) 270-6049
57.	Umang Nagpal ²	TBD	TBD	New Jersey	(908) 677-5900
58.	K3 Med, LLC	TBD	TBD	New Jersey	(555) 555-5555
59.	BPS Ventures, LLC	TBD	TBD	New Jersey	(917) 734-1486
60.	Atif Saleemi ²	TBD	TBD	New Jersey	(732) 381-7915
61.	Urgent Med Services, LLC.	TBD	TBD	New Jersey	(201) 888-0097
62.	Frank Lauletta ¹	4318 Route 130 N	Willingboro	New Jersey	(609) 871-2045

SL NO	FRANCHISEE ENTITY NAME	CENTER ADDRESS	CITY	STATE	PHONE
63.	Lemon Health	810 Fulton St.	Brooklyn	New York	(323) 369-5459
64.	Janet Jiang	8107 Kew Gardens Rd.	Kew Gardens	New York	(646) 247-8059
65.	Docshay1 LLC	777 White Plains Rd	Scarsdale	New York	(914) 588-0330
66.	AFP Medical, LLC	3251 Richmond Ave.	Staten Island	New York	(201) 424-3839
67.	Ehsan Butt	TBD	TBD	New York	(631) 838-5320
68.	Suleman Iqbal	TBD	TBD	New York	(516) 728-3959
69.	Jijoe Joseph	TBD	TBD	New York	(914) 484-1407
70.	Gary Moyers	TBD	TBD	New York	(732) 310-7485
71.	NTRI Integrative Health Inc	TBD	TBD	New York	(256) 483-0615
72.	Amaryama Corp	TBD	TBD	New York	(631) 742-2265
73.	GusNat Management Services, Inc	TBD	TBD	North Carolina	(919) 412-3475
74.	Piyush Shrivastav	3012 South Providence Rd	Waxhaw	North Carolina	(475) 218-9549
75.	Hygeia LLC ²	18425 NW West Union Rd.	Portland	Oregon	(503) 270-7619
76.	Whitestone Health Partners LLC ¹	3201 Market St.	Camp Hill	Pennsylvania	(717)857-6172
77.	Whitestone Health Partners, LLC ¹	49 Prince St., Unit 101	Harrisburg	Pennsylvania	(717) 901-3440
78.	MHP Consolidated LLC ²	3680 Aramingo Avenue	Philadelphia	Pennsylvania	(555) 555-5555
79.	MHP Consolidated LLC ²	2329 Cottman Ave.	Philadelphia	Pennsylvania	(732) 616-3845
80.	Keith George	TBD	TBD	Pennsylvania	(267) 255-1088
81.	Evelyn Wade	TBD	TBD	Pennsylvania	(215) 939-3952
82.	DX Management, LLC ¹	306 Cherokee Blvd.	Chattanooga	Tennessee	(423) 259-5997
83.	JF Urgent Care, LLC ²	9620 Fry Rd., Suite 600	Cypress	Texas	(713) 444-7053
84.	Lone Star Health Management, LLC	3530 Forest Lane	Dallas	Texas	(405) 818-2983
85.	ALABI FAMILY, LLC	23144 Cinco Ranch Blvd	Katy	Texas	(713) 775-2486
86.	Robert Eubank	TBD	TBD	Texas	(713) 775-2667
87.	Zikar Maredia	TBD	TBD	Texas	(218) 757-1734
88.	Imtiyaz Momin	TBD	TBD	Texas	(832) 630-4986
89.	Peter Schult	21 Essex Way	Essex Junction	Vermont	(443) 763-6186
90.	Behl Health Care Support Organization, LLC	325 Volvo Pkwy.	Chesapeake	Virginia	(757) 663-1633
91.	American Greatest Care, LLC	5870 Leesburg Pike	Falls Church	Virginia	(202) 855-1516
92.	Andy Cabral	TBD	TBD	Virginia	(240) 481-5441
93.	Andy Cabral ²	TBD	TBD	Virginia	(240) 481-5441
94.	Ashish Kapoor	TBD	TBD	Virginia	(662) 380-6696
95.	Lyuba Merchant	TBD	TBD	Virginia	(919) 323-7840
96.	Manjot Kaur	TBD	TBD	Washington	(206) 617-5687
97.	Hygeia, LLC ²	7500 NE 117th Ave	Vancouver	Washington	(503) 766-2215
98.	Hygeia, LLC ¹	180 NE 192nd Ave Suite 505	Vancouver	Washington	(503) 305-6262

1. This location opened in 2025.

2. This agreement was signed pursuant to an Area Development Agreement.

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM OR NOT COMMUNICATED WITH FRANCHISOR

Below are franchisees who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement in 2024 (through the FDD issuance date), or have not communicated with us within 10 weeks of the date of this Disclosure Document:

SL No.	Former Franchisee Entity	Center Address	City	State	Zip	Phone	Reason Left
1.	Colorado Urgent Care Specialists, Inc. ²	5102 South Broadway	Englewood	Colorado	80113	(720) 457-9100	Transfer
2.	Lavender Health Care of Florida, LLLP	2901 South Tamiami Trail	Sarasota	Florida	34239	(941) 364-4379	Termination
3.	Bloom 4701, LLC	6965 North Glenwood Street	Garden City	Idaho	83714	(208) 853-3000	Termination
4.	Bloom 4702, LLC	1610 Caldwell Blvd	Nampa	Idaho	83651	(208) 207-8500	Termination
5.	Bloom 4703, LLC	3185 E. Ustick Rd.	Meridian	Idaho	83646	(208) 296-7100	Termination
6.	Bloom 4704, LLC	10965 W. Overland Rd.	Boise	Idaho	83709	(208) 900-9901	Termination
7.	DRX FC Management 001, LLC	465 S Mount Auburn Road, Suite 103	Cape Girardeau	Missouri	63703	(573) 335-2900	Transfer
8.	McFatter Family Medical, LLC	1896 Main St.	Madison	Mississippi	39110	(601) 898-6939	Ceased Operations
9.	Alliance Medical Partners, LLC	133-37 41st Avenue	Flushing	New York	11355	(347) 783-6009	Transfer
10.	Faulconer House, LLC	3 Flagstone Dr. Unit A	Hudson	New Hampshire	03051	603-696-3307	Transfer
11.	Formative Solutions, LLC ¹	910 US Highway 64	Apex	North Carolina	27523	(919) 703-1952	Termination
12.	Peakdream, Inc.	910 US Highway 64	Apex	North Carolina	27523	(919) 703-1952	Transfer
13.	Formative Solutions, LLC ¹	101 Maynard Crossing Court	Cary	North Carolina	27513-8723	(919) 651-9867	Termination
14.	Peakdream, Inc.	101 Maynard Crossing Court	Cary	North Carolina	27513-8723	(919) 651-9867	Transfer
15.	American Family Care-Raleigh-Brier Creek, PLLC ²	7851 Alexander Promenade, Hill PI Suite 130	Raleigh	North Carolina	27617	(919) 981-9788	Transfer
16.	Action Project Management & Consulting LLC	622 Union Blvd.	Allentown	Pennsylvania	18109	(717) 542-4343	Termination
17.	MHP Thuc LLC	2231 Bryn Mawr Ave.	Philadelphia	Pennsylvania	19131	(215) 883-0800	Termination
18.	Swift Doc UC, LLC	1436 W Passyunk Ave.	Philadelphia	Pennsylvania	19145	215-977-4820	Transfer
19.	Vantar Health, LLC	9276 Old Keene Mill Rd.	Burke	Virginia	22015	(571) 516-3116	Transfer
20.	Dominion Family Care, LLC	4101 Dominion Blvd, Suite 300	Glen Allen	Virginia	23060	(804) 747-5555	Transfer

1. This location was terminated in 2025.
2. This location was transferred in 2025.

EXHIBIT F
FINANCIAL STATEMENTS

UNAUDITED FINANCIALS

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AFC Franchising, LLC
Balance Sheet
28-Feb-25

	2/28/2025
Assets	
Cash and cash equivalents	12,750,652
Accounts receivable, net	2,124,894
Prepaid expenses and other assets	<u>106,750</u>
	<u>14,982,295</u>
Property and equipment, net	22,400
Intangible assets, net	<u>4,623,386</u>
Total assets	<u>19,628,081</u>
Liabilities and Member's Equity	
Accounts payable	2,536,352
Accrued expenses	588,715
Deferred income	5,494,835
Due to Franchise Advisory Council Fund	<u>48,822</u>
Total liabilities	<u>8,668,724</u>
Member's equity	<u>10,959,358</u>
Total liabilities and member's equity	<u>19,628,081</u>

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AFC Franchising, LLC
Statement of Income
2 Months ended February 28, 2025

	<u>Two months ending February 28, 2025</u>
Revenue	
Royalties	6,093,550
Marketing	1,121,162
Initial franchise fees	478,000
	7,692,712
Commissions	1,321,657
Bad debt expense	31,827
Net revenue	6,339,228
Operating expenses	
Salaries and wages	671,487
Payroll taxes	50,545
Advertising	1,192,840
Depreciation and amortization expense	59,812
Professional fees	34,369
Purchased services	100,556
Utilities	52,394
Travel	39,702
Other expenses	49,171
Total operating expenses	2,250,876
Net operating income	4,088,352
Other income	83,530
Net income	4,171,882

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AUDITED FINANCIALS

Financial Statements and Report of
Independent Certified Public
Accountants

AFC Franchising, LLC

December 31, 2024

Contents

Page

Report of Independent Certified Public Accountants

3

Financial Statements

Balance sheet

5

Statement of income

6

Statement of member's equity

7

Statement of cash flows

8

Notes to financial statements

9

GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
AFC Franchising, LLC

Opinion

We have audited the financial statements of AFC Franchising, LLC (an Alabama corporation) (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related statements of income, member's equity and cash flows for the thirteen month period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the thirteen month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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. Accordingly, no such opinion is expressed.
- 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 whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Dallas, Texas
March 27, 2025

AFC Franchising, LLC

BALANCE SHEET

December 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 5,948,974
Restricted cash and cash equivalents	1,865,751
Investments - restricted	426,099
Accounts receivable, net of allowance for doubtful accounts of \$131,818	1,827,888
Prepaid expenses and other assets	<u>139,909</u>

Total current assets 10,208,621

Property and equipment, net of accumulated
depreciation of \$5,665 25,634

Intangible assets, net of accumulated amortization of
\$1,484,194 4,682,306

Total assets \$ 14,916,561

LIABILITIES AND MEMBER'S EQUITY

Current liabilities

Accounts payable	\$ 1,476,972
Accrued expenses	767,586
Unearned royalties	300,925
Due to Franchise Advisory Council Fund	11,477
Deferred income- current portion	<u>1,490,500</u>

Total current liabilities 4,047,460

Deferred income, net of current portion 3,815,500

Total liabilities 7,862,960

Member's equity 7,053,601

Total liabilities and member's equity \$ 14,916,561

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC

STATEMENT OF INCOME

Thirteen months period ended December 31, 2024

Revenue	
Royalties	\$ 31,971,840
Marketing	5,494,309
Initial franchise fees	<u>2,031,835</u>
	39,497,984
Commissions	7,520,314
Bad debt expense	<u>232,387</u>
Net revenue	<u>31,745,283</u>
Operating expenses	
Salaries and wages	5,231,285
Payroll taxes	363,379
Advertising	3,975,077
Franchise management fee	875,000
Depreciation and amortization expense	224,297
Professional fees	661,104
Purchased services	360,351
Utilities	256,964
Site selection services	236,905
Travel	157,044
Other expenses	<u>581,107</u>
Total operating expenses	<u>12,922,513</u>
Net operating income	18,822,770
Other income	<u>263,032</u>
NET INCOME	<u>\$ 19,085,802</u>

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC
STATEMENT OF MEMBER'S EQUITY
Thirteen months period ended December 31, 2024

	Member's Equity
Balance, November 30, 2023	\$ 958,116
Distribution to sole member	(24,555,000)
Contributions from sole member	11,564,683
Net income	<u>19,085,802</u>
Balance, December 31, 2024	<u><u>\$ 7,053,601</u></u>

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC

STATEMENT OF CASH FLOWS

Thirteen months period ended December 31, 2024

Cash flows from operating activities:

Net income	\$ 19,085,802
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation expense	5,438
Amortization expense	217,392
Bad debt expense	232,387
Unrealized gain on investments - restricted	(167,185)
(Increase) decrease in assets:	
Accounts receivable	(915,262)
Prepaid expenses and other assets	204,492
Increase (decrease) in liabilities:	
Accounts payable	322,880
Accrued expenses	282,477
Unearned royalties	(1,469,463)
Due to Franchise Advisory Council Fund	(8,667)
Deferred income	(322,835)
Net cash provided by operating activities	17,467,456

Cash flows from investing activities:

Acquisition of master franchise agreement	(3,500,000)
Proceeds from sales of investments	4,278,071
Purchase of property and equipment	(23,690)
Net cash provided by investing activities	754,381

Cash flows from financing activities:

Contributions from sole member	11,564,683
Distribution to sole member	(24,555,000)
Net cash used in financing activities	(12,990,317)

**NET CHANGE IN CASH, CASH EQUIVALENTS, AND
RESTRICTED CASH**

5,231,520

**Cash, cash equivalents, and restricted cash,
beginning of year**

2,583,205

**Cash, cash equivalents, and restricted cash,
end of year**

\$ 7,814,725

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - DESCRIPTION OF BUSINESS

On April 15, 2013, AFC Franchising, LLC (“the Company”), an Alabama limited liability company and wholly-owned subsidiary of American Family Care, LLC (“Parent”) acquired certain assets and liabilities of DRX Urgent Care, LLC. The acquisition was paid for with cash and a note payable to DRX Urgent Care, LLC.

The Company is a national accessible primary and urgent care franchise system. The business offers and sells franchises and provides products and support to its franchisees. The franchised urgent care centers provide various levels of patient care services provided by a physician which include urgent and/or accessible primary care. As of December 31, 2024 and November 30, 2023, the Company had a total of 305 and 280, respectively, operating franchised urgent care centers.

In 2024, the Company changed its fiscal year end to December 31. Therefore, for 2024 financial statements are for the thirteen month period ended December 31, 2024.

The Company franchises urgent care centers located across the United States. The Company currently does not operate any urgent care centers. The franchised centers operate under a franchise agreement with an initial term expiring 10-15 years from the effective date of the franchise agreement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, the Company considers all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents. The Company places its cash and cash equivalents, which at times may exceed federally insured limits, with high quality financial institutions.

Restricted Cash and Cash Equivalents

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

	<u>2024</u>
Cash and cash equivalents	\$ 5,948,974
Restricted cash	<u>1,865,751</u>
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$ 7,814,725</u>

Certain amounts of cash are restricted for use in accordance with purposes set forth within the franchise agreements.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Concentrations and Credit Risk

The Company maintains accounts with quality financial institutions. At times, cash balances may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses on such accounts. Management does not believe the Company is exposed to any significant credit risk in connection with these deposits.

Accounts Receivable

Accounts receivable are recorded when invoices are issued and are presented on the balance sheet net of the allowance for doubtful accounts. The vast majority of accounts receivable relates to royalty and marketing revenue which is invoiced based on activity ranging from 1-2 weeks in arrears. The allowance for credit losses is maintained in amounts required to cover anticipated losses on historical bad debt and periodic evaluation by the Company's management.

Property and Equipment

Property and equipment are carried at historical cost, less accumulated depreciation, and include expenditures which substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor renovations are expensed as incurred. When property and equipment are retired or otherwise disposed, the related costs and accumulated depreciation are removed from the respective accounts and the gain or loss on the disposition is recognized if applicable.

The Company provides for depreciation of property and equipment using the straight-line method designed to amortize costs over estimated useful lives ranging from 5 - 7 years.

Investments - Restricted

Investments - restricted include amounts invested in debt and equity securities. Investments in debt and equity securities are classified as either held-to-maturity, available-for-sale, or trading. Investments classified as held-to-maturity are reported at amortized cost. Amounts not reported at amortized cost are reported at fair value with the change in fair value recognized in net income. The fair value of these investments is based on quoted market prices, where available. If quoted market prices are not available, investments are measured at cost less impairment.

During 2024, the Company recognized \$167,185 of net gains on investments in debt and equity securities. Of that amount, \$167,185 was recognized on investments in debt and equity securities held at December 31, 2024.

Certain amounts of investments are restricted for use in accordance with purposes set forth within the franchise agreements.

Intangible Assets

The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to, a significant decrease in the market value of an asset or a significant adverse change in the extent or manner in which an asset is used or in its physical condition. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with the asset. Should the sum of the expected future cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds the fair value of the asset. The fair value is measured based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. Intangibles that do not have indefinite lives are amortized on a straight-line basis over the estimated useful life of the assets.

Marketing Fund

The Company collects fees from franchisees which are used for advertising, marketing, and public relations programs. In accordance with the franchise agreements, all fees collected must be used for these programs. With the adoption of ASC 606 on December 1, 2019, all fees collected are recorded as income and all program costs are recorded as expense on the statement of income for thirteen month period ending December 31, 2024.

Franchise Advisory Council Fund

The Company collects fees from franchisees which are used for Franchise Advisory Council. The Fund is utilized to facilitate best practices amongst the franchisees. In accordance with the franchise agreements, all fees collected must be used for the council. Accumulated fees collected in excess of council costs are classified as current liabilities on the balance sheet. As of December 31, 2024, the Franchise Advisory Council Fund was \$11,477.

Initial Franchise Fees, Deferred Income and Prepaid Commissions

Upon execution of a franchise agreement, the franchisee is required to pay an initial non-refundable franchise fee to the Company. The fee is recorded as deferred income until the franchisee's center has an estimated opening date and when the opening date is one year or less. The Company performs substantially all pre-opening activities required by the franchise agreement over this period of time. The deferred income is recognized ratably as revenue over this period of time and the commission and prepaid initial service costs are recognized as expense in a consistent manner. For the thirteen month period ended December 31, 2024, \$2,031,835 was recognized as revenue, and \$328,000 was recognized as commissions expense, respectively.

Income Taxes

The Company is treated as a single member limited liability company for federal income tax purposes. Consequently, federal income taxes are not payable, or provided for, by the Company. The sole member is taxed individually on the Company's earnings.

If the Company takes uncertain tax positions that do not meet the recognition criteria, it records a liability for the underpayment of income taxes and related interest and penalties. Therefore, the Company recognized no liability for uncertain tax positions as of the balance sheet date.

NOTE 3 - REVENUE FROM CONTRACTS WITH FRANCHISEES

Revenue is measured based on consideration specified in a contract with franchisees and excludes any sales incentives.

Taxes assessed by a governmental authority, if any, that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a franchise, are excluded from revenue.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Contract Balances

Contract assets include accounts receivable as a result of amounts billed to the franchise that have been earned. Royalty and marketing revenue is billed based on activity ranging from 1-2 weeks in arrears. Contract liabilities include deferred income. Deferred income includes the deferred revenue on non-refundable initial franchise fees. Initial franchise fees are comprised of pre-opening activities and are recognized as income at the point in time the franchise opens.

Contract assets and liabilities were as follows for the period ended December 31, 2024:

Contract assets:	
Accounts receivable	\$ 1,827,888
Total contract assets	\$ 1,827,888
Contract liabilities:	
Unearned royalties	\$ 300,925
Deferred income	5,306,000
Total contract liabilities	\$ 5,606,925

For the year ended November 30, 2023 accounts receivable relating to contract assets was \$1,145,013, and unearned royalties and deferred income relating to contract liabilities was \$1,770,388 and \$5,628,835 respectively.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the franchise and is the unit of account in the new revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company considers their franchise agreements to have three distinct performance obligations.

Performance Obligations Satisfied Over Time

Royalty Revenue - In consideration of the franchise license granted to the franchisees, the franchisees agree to pay a royalty consisting of 6% of net payments to the Company. These royalties are recognized over time, weekly, based on the franchisees net payments.

Marketing Revenue - In consideration of marketing and advertising on behalf of the franchisees, the franchisees agree to pay a marketing fee consisting of 1% of net payments to the Company. This marketing revenue is recognized over time, weekly, based on the franchisees net payments.

Initial Franchisee Fee - Consists of pre-opening activities provided by the Company to the franchisees. These non-refundable franchisee fees are received by the Company at the time the franchise agreement is signed, but the revenue is deferred until the franchise has an estimated opening date which is one year or less at which time the fees begin recognition ratably over time during the pre-opening period. As part of the adoption of ASC 606, the Company elected to adopt the practical expedient of combining all pre-opening services as a single separate performance obligation. The adoption of this practical expedient did not have a material impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 4 - FAIR VALUE MEASUREMENT

ASC Topic No. 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy consists of three broad levels, described as follows:

Level 1 - Inputs consist of unadjusted quoted prices for identical assets in active markets that the reporting entity has the ability to access.

Level 2 - Inputs consist of 1) quoted prices for similar assets in active markets, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.

Level 3 - Inputs consist of unobservable inputs where there is little or no market activity, and the reporting entity makes estimates and assumptions related to the pricing of the asset including assumptions regarding risk.

Investment fair value measurement levels within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value.

Common stocks and treasury bills - Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2024, the Company's investments - restricted, included investments in common stocks, which are classified as Level 1 assets in the fair value hierarchy. The total market value of Level 1 investments was \$426,099 as of December 31, 2024. The Company's total investments included \$426,099 in common stocks as of December 31, 2024.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 5 - INTANGIBLE ASSETS

Intangible assets as of December 31, 2024 consist of tradename, franchise agreements and master territory buyback agreements. Balances and related accumulated amortization for these assets are as follows:

	<u>2024</u>
Tradename	\$ 868,000
Master territory buyback agreements	3,717,500
Franchise agreements	<u>1,581,000</u>
	6,166,500
Accumulated amortization	<u>(1,484,194)</u>
Net intangible assets	<u>\$ 4,682,306</u>

The tradename is an indefinite lived asset. The franchise agreements and master territory buyback agreements have a life of 10-15 years. Amortization expense on intangible assets totaled \$217,392 for the thirteen months in the period ended December 31, 2024.

The master territory buyback agreements have a 10-year weighted average useful life. The franchise agreements have a 15-year weighted average useful life.

Effective October 1, 2024, the Company entered into an agreement to acquire the right to operate a master franchise territory in North Carolina and another in Virginia. The purchase price paid by the Company was \$3,500,000. No tangible assets were obtained or liabilities assumed. The entire purchase price has been allocated to Master territory buyback agreement.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company records accruals for contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. There can be no assurance there will not be an increase in the scope of these matters or that any future or pending lawsuits, claims, proceedings, or investigations will not be material.

The Company is currently involved as a defendant in certain legal actions. The ultimate outcome of such actions cannot be determined at this time. However, in view of available defenses, insurance coverage, the opinion of management and legal counsel and other factors, such outcome is not expected to have a material effect on the financial condition of the Company.

NOTE 7 - ADVERTISING COSTS

Advertising costs are charged to operations as incurred, and for the thirteen months in the period ended December 31, 2024 were \$3,975,077.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 8 - RELATED PARTY TRANSACTIONS

The Company paid a management fee to the sole member for certain general and administrative tasks performed. The management fees paid totaled \$875,000 for the thirteen months in the period ended December 31, 2024.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

Previously issued financial statements have been restated to reflect errors in amounts due from Sole Member for cash transfers from the Company to the Parent. The restatement impacted beginning Member's Equity. Due to the corrections noted above, as of December 1, 2023, Member's Equity decreased by \$18,419,681.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2025 which is the date the financial statements were available to be issued and concluded no events or transactions occurred during that period requiring recognition or disclosure.

AFC FRANCHISING, LLC

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
NOVEMBER 30, 2023 AND 2022**

AFC FRANCHISING, LLC
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022	
Balance Sheets	5
Statements of Income	6
Statements of Member's Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9

INDEPENDENT AUDITORS' REPORT

AFC Franchising, LLC
Birmingham, Alabama

Opinion

We have audited the accompanying financial statements of AFC Franchising, LLC, (an Alabama Company), which comprise the balance sheets as of November 30, 2023 and 2022, and the related statements of income, member's equity, and cash flows for the years 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 AFC Franchising, LLC as of November 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of AFC Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AFC Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 AFC Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- 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 whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AFC Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Pearce, Baill, Leesburg, Moore, P.C.

February 27, 2024

AFC FRANCHISING, LLC
BALANCE SHEETS
AS OF NOVEMBER 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,399,199	\$ 2,259,174
Restricted cash	1,184,006	4,143,177
Investments - restricted	4,536,985	6,718,035
Accounts receivable, net of allowance for doubtful accounts of \$- and \$14,921, respectively	1,145,013	1,629,823
Due from sole member	18,419,681	23,628,855
Prepaid expenses and other assets	<u>344,401</u>	<u>199,689</u>
Total current assets	27,029,285	38,578,753
Property and equipment, net of accumulated depreciation of \$11,107 and \$13,814, respectively	7,382	8,808
Goodwill, net of accumulated amortization of \$5,551,000 and \$4,995,900, respectively	-	555,100
Intangible assets, net of accumulated amortization of \$1,266,802 and \$1,146,902, respectively	<u>1,399,698</u>	<u>1,519,598</u>
TOTAL ASSETS	<u><u>\$ 28,436,365</u></u>	<u><u>\$ 40,662,259</u></u>

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 1,154,092	\$ 2,908,859
Accrued expenses	485,109	874,744
Unearned royalties	1,770,388	1,081,252
Due to Franchise Advisory Council Fund	20,144	26,137
Deferred income	<u>5,628,835</u>	<u>5,299,000</u>
TOTAL CURRENT LIABILITIES	9,058,568	10,189,992
MEMBER'S EQUITY	<u>19,377,797</u>	<u>30,472,267</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 28,436,365</u></u>	<u><u>\$ 40,662,259</u></u>

See independent auditors' report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Royalties	\$ 25,431,182	\$ 31,191,095
Marketing	4,250,072	5,102,386
Initial franchise fees	3,315,000	1,710,750
	<u>32,996,254</u>	<u>38,004,231</u>
COMMISSIONS	<u>(7,048,311)</u>	<u>(7,436,718)</u>
NET REVENUE	<u>25,947,943</u>	<u>30,567,513</u>
OPERATING EXPENSES		
Advertising	6,326,013	4,953,291
Conferences	72,925	262,803
Depreciation and amortization expense	678,556	678,474
Franchise management fee	600,000	600,000
Other expenses	371,486	392,297
Payroll taxes	170,420	166,368
Professional fees	415,434	580,558
Purchased services	311,686	1,860,798
Site selection services	163,891	391,464
Salaries and wages	2,200,468	2,284,881
Travel	240,320	277,205
Utilities	254,715	173,739
	<u>11,805,914</u>	<u>12,621,878</u>
TOTAL OPERATING EXPENSES	<u>11,805,914</u>	<u>12,621,878</u>
NET OPERATING INCOME	14,142,029	17,945,635
OTHER INCOME (LOSS)	<u>(236,499)</u>	<u>364,242</u>
NET INCOME	<u>\$ 13,905,530</u>	<u>\$ 18,309,877</u>

See independent auditors' report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022

	<u>Member's Equity</u>
Balance at December 1, 2021	\$ 62,162,390
Distribution to sole member	(50,000,000)
Net income	<u>18,309,877</u>
Balance at November 30, 2022	30,472,267
Distribution to sole member	(25,000,000)
Net income	<u>13,905,530</u>
Balance at November 30, 2023	<u><u>\$ 19,377,797</u></u>

See independent auditors' report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 13,905,530	\$ 18,309,877
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation expense	3,556	3,474
Amortization expense	675,000	675,000
Bad debt (recovery) expense	-	(77,218)
Unrealized (Gain)/loss on investments - restricted	538,267	(109,093)
(Increase) decrease in assets:		
Accounts receivable	484,810	1,539,862
Prepaid expenses and other assets	(144,712)	1,180,540
Due from sole member	5,209,174	26,626,064
Notes receivable	-	-
Increase (decrease) in liabilities:		
Accounts payable	(1,754,767)	2,152,214
Accrued expenses	(389,635)	(716,977)
Unearned royalties	689,136	-
Due to Franchise Advisory Council Fund	(5,993)	(28,068)
Deferred income	329,835	2,201,750
CASH FROM OPERATING ACTIVITIES	<u>19,540,201</u>	<u>51,757,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(854,169)	(3,731,997)
Proceeds from sales of investments	2,496,952	-
Purchase of property and equipment	(2,130)	-
CASH FROM INVESTING ACTIVITIES	<u>1,640,653</u>	<u>(3,731,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to sole member	(25,000,000)	(50,000,000)
CASH FROM FINANCING ACTIVITIES	<u>(25,000,000)</u>	<u>(50,000,000)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(3,819,146)	(1,974,572)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>6,402,351</u>	<u>8,376,923</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	<u><u>\$ 2,583,205</u></u>	<u><u>\$ 6,402,351</u></u>

See independent auditor's report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2023 AND 2022

Note 1 - Description of Business

On April 15, 2013, AFC Franchising, LLC ("the Company"), an Alabama limited liability company and wholly-owned subsidiary of American Family Care, Inc. acquired certain assets and liabilities of DRX Urgent Care, LLC. The acquisition was paid for with cash and a note payable to DRX Urgent Care, LLC.

The Company is a national accessible primary and urgent care franchise system. The business offers and sells franchises and provides products and support to its franchisees. The franchised urgent care centers provide various levels of patient care services provided by a physician which include urgent and/or accessible primary care. As of November 30, 2023 and 2022, the Company had a total of 280 and 217, respectively, operating franchised urgent care centers.

The Company franchises urgent care centers located across the United States. The Company currently does not operate any urgent care centers. The franchised centers operate under a franchise agreement with an initial term expiring 15 years from the effective date of the franchise agreement.

Note 2 - Summary of Significant Accounting Policies

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, the Company considers all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents.

Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

	2023	2022
Cash and cash equivalents	\$ 1,399,199	\$ 2,259,174
Restricted cash	<u>1,184,006</u>	<u>4,143,177</u>
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$ 2,583,205</u>	<u>\$ 6,402,351</u>

Note 2 - Summary of Significant Accounting Policies - Continued

Certain amounts of cash are restricted for use in accordance with purposes set forth within the franchise agreements.

Concentrations and Credit Risk

The Company maintains accounts with quality financial institutions. At times, cash balances may exceed the amount insured by the Federal Deposit Insurance Corporation.

Accounts Receivable

Accounts receivable are recorded when invoices are issued and are presented on the balance sheet net of the allowance for doubtful accounts. The allowance for doubtful accounts is maintained in amounts required to cover anticipated losses on historical bad debt and periodic evaluation by the Company's management.

Property and Equipment

Property and equipment are carried at historical cost, less accumulated depreciation, and include expenditures which substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor renovations are expensed as incurred. When property and equipment are retired or otherwise disposed, the related costs and accumulated depreciation are removed from the respective accounts and the gain or loss on the disposition is recognized if applicable.

The Company provides for depreciation of property and equipment using the straight-line method designed to amortize costs over estimated useful lives ranging from 5 – 7 years.

Investments - Restricted

Investments – restricted include amounts invested in debt and equity securities. Investments in debt and equity securities are classified as either held-to-maturity, available-for-sale, or trading. Investments classified as held-to-maturity are reported at amortized cost. Amounts not reported at amortized cost are reported at fair value with the change in fair value recognized in net income. The fair value of these investments is based on quoted market prices, where available. If quoted market prices are not available, investments are measured at cost less impairment.

During 2023, the Company recognized \$538,267 of net losses on investments in debt and equity securities. Of that amount, \$538,267 was recognized on investments in debt and equity securities held at November 30, 2023.

Certain amounts of investments are restricted for use in accordance with purposes set forth within the franchise agreements.

Note 2 - Summary of Significant Accounting Policies - Continued

Intangible Assets

The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to, a significant decrease in the market value of an asset or a significant adverse change in the extent or manner in which an asset is used or in its physical condition. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with the asset. Should the sum of the expected future cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds the fair value of the asset. The fair value is measured based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. Intangibles that do not have indefinite lives are amortized on a straight-line basis over the estimated useful life of the assets.

Goodwill

In January 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-02, Intangibles – Goodwill and Other. This update provides private companies certain alternative guidance regarding accounting for Goodwill. Specifically, the update provides an option to private companies to adopt guidance for the amortization of goodwill and alternative requirements for testing goodwill impairment.

Under the goodwill alternative, a nonpublic entity is able to amortize goodwill on a straight-line basis over a period of ten years or over a shorter period if the company demonstrates that another useful life is more appropriate. Goodwill would be subject to impairment testing only upon the occurrence of a triggering event. The Company adopted this guidance for the year ended November 30, 2014 and the Company chose a ten-year useful life. Goodwill amortization for both years ended November 30, 2023 and 2022 was \$555,100. Goodwill was fully amortized as of November 30, 2023.

Marketing Fund

The Company collects fees from franchisees which are used for advertising, marketing, and public relations programs. In accordance with the franchise agreements, all fees collected must be used for these programs. With the adoption of ASC 606 on December 1, 2019, all fees collected are recorded as income and all program costs are recorded as expense on the income statement for year ended November 30, 2023 and 2022.

Note 2 - Summary of Significant Accounting Policies - Continued

Franchise Advisory Council Fund

The Company collects fees from franchisees which are used for Franchise Advisory Council. The Fund is utilized to facilitate best practices amongst the franchisees. In accordance with the franchise agreements, all fees collected must be used for the council. Accumulated fees collected in excess of council costs are classified as current liabilities on the balance sheet. As of November 30, 2023 and 2022, the Franchise Advisory Council Fund was \$20,144 and \$26,137, respectively.

Initial Franchise Fees, Deferred Income and Prepaid Commissions

Upon execution of a franchise agreement, the franchisee is required to pay an initial non-refundable franchise fee to the Company. The fee is recorded as deferred income until the franchisee's center has opened for operations and the Company has performed substantially all pre-opening activities required by the franchise agreement, at which time the deferred income is recognized as revenue and the prepaid initial service costs are recognized as expense. The commission expense associated with the sale of an initial franchise license is recorded as a deduction of deferred revenue until the franchisee's center has opened for operations, at which time the prepaid commission is recognized as expense. For the years ended November 30, 2023 and 2022, \$3,315,000 and \$1,710,750 were recognized as revenue, respectively, and \$915,000 and \$612,500 were recognized as commissions expense, respectively.

Income Taxes

The Company is treated as a single member limited liability company for federal income tax purposes. Consequently, federal income taxes are not payable, or provided for, by the Company. The sole member is taxed individually on the Company's earnings.

If the Company takes uncertain tax positions that do not meet the recognition criteria, it records a liability for the underpayment of income taxes and related interest and penalties. Therefore, the Company recognized no liability for uncertain tax positions as of the balance sheet date.

Recently Adopted Accounting Standards

The Company has adopted Accounting Standards Codification (ASC) 842, Leases, effective December 1, 2022. ASC 842 requires lessees to recognize most leases on their balance sheets as lease liabilities and corresponding right-of-use assets, including operating leases. The Company has updated its accounting policies to reflect the new standard and evaluated the impact of adopting ASC 842 and determined that it does not have any leases that fall under the guidance of ASC 842.

Note 3 - Acquisition

Effective April 15, 2013, the Company acquired substantially all the assets and assumed certain liabilities of DRX Urgent Care, LLC. The purchase price paid by the Company was \$8,000,000. The acquisition of DRX Urgent Care, LLC has been accounted for as a business combination using the acquisition method of accounting, whereby the purchase price has been allocated to tangible and intangible assets acquired and liabilities assumed, based on their estimated fair market values. Fair-value measurements have been applied based on assumptions that market participants would use in the pricing of the asset or liability. The following table summarizes the fair values assigned to the net assets acquired as of the April 15, 2013 acquisition date.

Total Consideration:	\$ 8,000,000
----------------------	--------------

Fair Value of Assets Acquired and Liabilities Assumed:

Restricted cash	402,313
Tradename	868,000
Franchise agreements	1,581,000
Marketing fund	(394,808)
Franchise Advisory Council fund	(7,505)
Net assets acquired	<u>2,449,000</u>
Excess Purchase Price Attributed to Goodwill	<u>\$ 5,551,000</u>

No liabilities were assumed associated with legal contingencies as part of the acquisition. Additionally, as part of the asset purchase, no tax assets or liabilities were assumed.

Note 4 - Revenue from Contracts with Franchisees

Revenue is measured based on consideration specified in a contract with franchisees and excludes any sales incentives.

Taxes assessed by a governmental authority, if any, that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a franchise, are excluded from revenue.

Contract Balances

Contract assets include accounts receivable as a result of amounts billed to the franchise that have been earned. Contract liabilities include deferred income. Deferred income includes the deferred revenue on non-refundable initial franchise fees. Initial franchise fees are comprised of pre-opening activities and are recognized as income at the point in time the franchise opens.

Note 4 - Revenue from Contracts with Franchisees – Continued

Contract assets and liabilities were as follows for the year ended November 30, 2023:

Contract assets:	2023	2022	2021
Accounts receivable	\$ 1,145,013	\$ 1,629,823	\$ 1,796,929
Total contract assets	<u>\$ 1,145,013</u>	<u>\$ 1,629,823</u>	<u>\$ 1,796,929</u>
Contract liabilities:			
Unearned royalties	\$ 1,770,388	\$ 1,081,252	\$ -
Deferred income	<u>5,628,835</u>	<u>5,299,000</u>	<u>1,652,250</u>
Total contract liabilities	<u>\$ 7,399,223</u>	<u>\$ 6,380,252</u>	<u>\$ 1,652,250</u>

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the franchisee and is the unit of account in the new revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company considers their franchise agreements to have three distinct performance obligations.

Performance Obligations Satisfied Over Time

Royalty Revenue – In consideration of the franchise license granted to the franchisees, the franchisees agree to pay a royalty consisting of 6% of net payments to the Company. These royalties are recognized over time, weekly, based on the franchisees net payments.

Marketing Revenue – In consideration of marketing and advertising on behalf of the franchisees, the franchisees agree to pay a marketing fee consisting of 1% of net payments to the Company. This marketing revenue is recognized over time, weekly, based on the franchisees net payments.

Performance Obligations Satisfied at a Point in Time

Initial Franchisee Fee – Consists of pre-opening activities provided by the Company to the franchisees. These non-refundable franchisee fees are received by the Company at the time the franchise agreement is signed, but the revenue is deferred until the point in time the franchise is opened. As part of the adoption of ASC 606, the Company elected to adopt the practical expedient of combining all pre-opening services as a single separate performance obligation. The adoption of this practical expedient did not have a material impact on the Company's financial statements.

Note 5 - Fair Value Measurement

ASC Topic No. 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy consists of three broad levels, described as follows:

Level 1 - Inputs consist of unadjusted quoted prices for identical assets in active markets that the reporting entity has the ability to access.

Level 2 - Inputs consist of 1) quoted prices for similar assets in active markets, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.

Level 3 - Inputs consist of unobservable inputs where there is little or no market activity, and the reporting entity makes estimates and assumptions related to the pricing of the asset including assumptions regarding risk.

Investment fair value measurement levels within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value.

Common stocks and treasury bills - Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of November 30, 2023 and 2022, the Company's investments – restricted, included investments in common stocks and Treasury bills, which are classified as Level 1 assets in the fair value hierarchy. The total market value of Level 1 investments was \$4,536,985 and \$6,718,035 for the years ended November 30, 2023 and 2022, respectively. The company's total investments included \$3,695,583 in common stocks and \$841,402 in Treasury bills as of November 30, 2023. The Company's total investments included \$4,221,083 in common stocks and \$2,496,952 in Treasury bills as of November 30, 2022.

Note 6 - Intangible Assets

Intangible assets as of November 30, 2023 and 2022 consist of tradename, franchise agreements and master territory buyback agreements. Balances and related accumulated amortization for these assets are as follows:

	2023	2022
Tradename	\$ 868,000	\$ 868,000
Master territory buyback agreements	217,500	217,500
Franchise agreements	<u>1,581,000</u>	<u>1,581,000</u>
	2,666,500	2,666,500
Accumulated amortization	<u>(1,266,802)</u>	<u>(1,146,902)</u>
Net intangible assets	\$ <u>1,399,698</u>	\$ <u>1,519,598</u>

The tradename is an indefinite lived asset. The franchise agreements and master territory buyback agreements have a life of 15 years. Amortization expense on intangible assets totaled \$119,900 for both the years ended November 30, 2023 and 2022, respectively. Amortization expense per year for the next five years will be \$119,900.

Note 7 - Commitments and Contingencies

The Company records accruals for contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. There can be no assurance there will not be an increase in the scope of these matters or that any future or pending lawsuits, claims, proceedings, or investigations will not be material.

The Company is currently involved as a defendant in certain legal actions. The ultimate outcome of such actions cannot be determined at this time. However, in view of available defenses, insurance coverage, the opinion of management and legal counsel and other factors, such outcome is not expected to have a material effect on the financial condition of the Company.

Note 8 - Advertising Costs

Advertising costs are charged to operations as incurred, and for the year ended November 30, 2023 and 2022 advertising costs were \$6,326,013 and \$4,953,291, respectively.

Note 9 - Related Party Transactions

Excess cash generated from operations has been advanced to the sole member and affiliates owned by the sole member. At November 30, 2023 and 2022, the amount due from the sole member was \$18,419,681 and \$23,628,855, respectively.

The Company paid a management fee to the sole member for certain general and administrative tasks performed. The management fees paid totaled \$600,000 for both the years ended November 30, 2023 and 2022.

Note 10 – Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation.

Note 11 - Subsequent Events

Management has evaluated subsequent events through February 27, 2024, which is the date the financial statements were available to be issued and concluded no events or transactions occurred during that period requiring recognition or disclosure.

EXHIBIT G
TABLE OF CONTENTS FOR MANUAL

Section A - Introduction

Introduction.	1
Our Story.	2
AFC Mission.	3
AFC Vision.	3
AFC Values.	4
Our Approach to Care.	4
Philosophy of Excellence.	5
History of the Franchise.	6
Services Provided to Franchisees.	6
Site Development.	6
Initial Training.	7
Opening Assistance.	7
Ongoing Training and Support.	7
Approved Suppliers.	7
Advertising Materials and Sales Aids.	8
Franchise Advisory Council.	8
Ongoing Research & Development.	8
Franchisee Responsibilities.	9
Responsibilities to Patients.	9
Responsibilities to Employees.	9
Responsibilities to Fellow Franchisees.	9
Responsibilities to the Franchisor.	10
Master Franchisee Role & Responsibilities.	10
Corporate Office Role & Responsibilities.	10
Sanctions.	11
Visits from the Corporate Office.	12

Section B - Pre- Opening

Definitions.	5
Business Definitions.	5
Medial Practice Definitions.	8
Business Opening Timeline.	12
Establishing the Business Structure.	13
Franchise Company (FC).	13
Professional Corporation (PC).	13
Establishing the Business Form.	15
Meeting Tax Obligations.	16
Employer Identification Number.	16
Federal Taxes.	16
State Taxes.	17
Setting Up Bank Accounts.	18
Accounts to Open.	18
Securing a Location.	19
Site Selection Criteria.	19
General Site Criteria.	21
Site Acceptance.	21
Lease Review and Policy Procedures.	22
Site Build Out.	25
Site Survey.	25

Space Planning.	25
Architecture.	25
Permit.	25
Fixture Manufacturing & Décor Ordering.	26
Signage & Décor.	26
Construction.	26
General Site Criteria.	26
Licenses/Permits	27
General Business Licensing Requirements.	27
Licenses and Certifications.	28
License To Do Business As A Medical Center.	28
DEA Certificate.	28
National Provider Identifier (NPI).	28
Certification for Operation of Lab.	28
Medical License.	28
UCA Accreditation (Optional).	28
Controlled Substances Registration.	28
Construction.	29
Construction Licensing Requirements.	29
Permit To Dispense Medications.	29
Controlled & Dangerous Substance Permit.	29
Construction Inquiries.	30
Laws & Ordinances.	30
Utilities & Other Services.	30
Inquiries.	30
Minimum Services.	30
Laboratory Set Up.	31
Background Information.	31
Laboratory Equipment and Tests.	31
Steps to Opening a New Laboratory.	32
Federal and State Requirements.	32
CLIA Certificate Type.	33
Personnel Requirements.	34
Moderately Complex Lab Requirements.	34
Lab Director Training.	35
Lab Manual.	35
CLIA Application for Certification.	36
Pay For the Certificate.	36
Set up the laboratory following the	
applicable regulations and requirements.	36
Proficiency Testing.	37
Obtaining Insurance.	37
Insurance Type and Coverage Requirements.	37
Required List of Equipment & Initial Inventory.	39
Experity Setup & Staff Training.	39
Conducting a Grand Opening.	40
AFC TeleCare®	40

Section C - Human Resources

CareerPlug.	4
-------------	---

CareerPlug Resources.	4
EEOC Guidelines.	5
Employers Covered by EEOC-Enforced Laws.	6
How Employees Are Counted.	6

Section D - Center

Hours of Operation.	4
Daily Procedures.	5
Daily Checklists.	5
Customer Service.	5
Customer Service Philosophies.	5
Building a Winning Customer Service Team.	6
Ways to Monitor Employee Activity.	6
AFC Patient Service Philosophy.	7
Our Goal is 100% Patient Satisfaction.	7
Ambassador Program.	7
Deploy the 10/15 Philosophy	7
Patient Services Provided.	8
Exceeding Patient Expectations.	9
The Customer.	9
Perception is Everything.	10
Keys to Successful Patient-Centered Care	10
Keys to Service Mentality.	10
Provider Principles for Treating Patients.	11
Principles for Treating Patients.	11
Obtaining Patient Feedback.	16
Patient Feedback Process.	16
Patient Follow-Up Wellness Calls	17
Guidelines for Making Follow-Up Calls.	17
Handling Difficult Patients or Complaints.	18
Solve the Problem AND Manage the Feelings.	18
Handling Complaints.	18
Proper Handling of Incoming Calls.	20
Communication by Phone.	20
What to Do When the Phone Rings.	21
Turning an Inquiry Into a Lead.	22
Life Cycle of a Patient.	23
The Lifecycle of a Patient.	23
Patient Registration.	24
Registration Steps.	24
Experity Scanning Instructions.	24
Verifying Insurance Coverage and Co-Pays.	25
Co-Pay, Co-Insurance and Deductible	
Payments.	26
Procedure for Payment from Self-Pay Patients.	26
Triage.	27
Triage Protocol Standards.	27
Exam.	28
Physical Exam Steps.	28
Test and X-Rays (if applicable).	28

Prescriptions (if applicable).	29
Discharging Patients.	29
Follow-up with Patient.	29
Follow-up With Patient's Primary	
Physician (if applicable).	30
Radiology.	30
Radiology Best Practices.	30
Operating the Dispensary.	31
Dispensary Best Practices.	31
Maintaining the Office.	32
Cleaning Guidelines.	32
Safety & Security.	33
Reasons for Precautions.	33
Workplace Safety.	33
OSHA.	34
Safety Data Sheets (SDS).	34
Bloodborne Pathogen Compliance	
Exposure Control Plan.	34
Accident Reporting and Investigation.	35
Workers' Compensation Issues.	36
Fire Safety.	36
Burglary.	37
Experity Reports for Diagnosing.	38
Revenue.	38
Expense.	40
Patient Info.	40
Action Plan.	41
Requesting a Variance.	42
Written Request	42
Monetary Sanctions.	42

Section E - Administrative

HIPAA Requirements.	5
Software Systems.	5
Software Systems.	5
Service Pricing (Fee Schedules).	5
Center Fees Explained.	6
Common Approaches to Establishing	
Center Fees.	8
Recommended Exercise.	9
Definitions.	9
Competitive Market Analysis.	11
Medical Billing.	12
Fee Schedules.	14
Copays, Deductibles, & Co-Insurance.	15
Medical Billing – An Example	16
Total Paid on Claim From	
Insurance Company.	17
Billing Insurance Companies.	18
Insurance Billing Process.	19
Billing Private Pay (Self-Pay) Patients.	20

Billing Occupational Health.	20	Grand Opening Activities.	12
Collections.	21	Advertising Ideas.	13
System Outage.	22	Recommended Activities.	13
System Downtime.	22	Planning	15
Paper Encounter Forms.	24	Who to Invite.	15
Accepting Payment.	25	Invitations.	15
Accepting Cash.	25	Entertainment	15
Accepting Credit Cards.	25	Catering.	15
Accepting Checks.	26	Speakers.	16
Closeout Procedures.	27	Food/Beverage.	16
Inventory Management.	28	Marketing Materials.	16
Use of Approved Suppliers.	28	Sample Grand Opening Schedule.	16
Ordering Procedures.	28	Tips for Getting Media Coverage	
Receiving Procedures.	28	for your Grand Opening.	17
Stocking and Inventory.	29	Media Outreach Checklist and Timeline.	17
Generating Business Reports.	30	Outreach Checklist and Timeline.	17
Reports.	31	Public Relations.	19
Analyzing Reports.	31	Writing a Press Release.	19
File Management.	32	Generating Local Press Coverage.	20
Safe Recordkeeping.	32	Your How-To Guide.	20
Patient Record Retention Procedures.	32	Preparing for the Media Interview.	22
Finance.	34	Giving the Interview.	22
Pro forma.	34	Crisis Communication Plan.	23
Accounting & Financial Reporting.	35	Other Tips about the Media.	25
Exit Strategy.	37	Online Marketing Assets & Activities.	26
Continuing Service and Royalty Payment.	39	Out-of-Home (OOH) Advertising.	29
Marketing Fund Contributions.	40	Newspaper.	31
Electronic Funds Transfer.	40	Billboard Advertising.	32
Annual Royalty and Marketing Fund Draft Dates.	41	Community Outreach/Involvement/Sponsorship	32
Royalty and Marketing Fund Calculation.	42	Ways to be Involved.	32
Patient Visit Report.	46	Other Advertising.	34
		Promotional.	35
		AFC Store.	35
		Campaigns.	36
		Campaign Schedule.	36
		National Flu Prevention Week.	36
		Holiday Campaigns.	36
		Patient Engagement.	37
		Net Promoter Score (NPS).	37
		Prescription Savings.	38
		In-Center Marketing.	39
		Phone Training.	39
		Operation Hours.	40
		Marketing Closer Checklist.	40
		Section G -	
		Occupational Health & Marketing	
		Workers' Compensation.	4
		What is Workers' Compensation?.	4
		Who Qualifies for Workers' Compensation	
		Benefits.	4
		Insurance Issues.	5
Section F - Marketing			
Marketing Objective.	4		
Marketing Priorities.	4		
The AFC Brand.	5		
Using the AFC Marks.	5		
Guidelines for Use.	5		
Logo & Signage Specifications.	6		
Signage Requirements.	7		
Marketing.	7		
Marketing Toolkit.	7		
Marketing AFC.	7		
Using the Campaign Calendar.	9		
Channel Marketing Strategy.	9		
Do the Research (Analyze).	9		
Required Advertising Expenditures.	11		
Local Advertising Requirement.	11		
Marketing Fund.	12		
Regional Cooperative Advertising.	12		
Grand Opening Advertising.	12		

The AFC Difference.	6
Employer's Accident Responsibility.	6
Employer's Efforts to Control Costs.	6
How Companies Use Provider Choice to	
Reduce Costs.	7
The AFC Difference.	7
Here are some quick points of	
differentiation.	7
AFC Occupational Health services include	8
DOT Related Drug and Alcohol Tests.	9
Bringing Your Occupational Health	
Program to Market.	9
Basic Client Service Expectations of AFC.	10
Offering Occupational Health.	11
Working with Human Resources.	11
How AFC Saves Time and Money.	11
Working with Safety/Compliance.	11
Understanding Other Occupational Health	
Delivery Models.	12
Conducting Your Own Occupational	
Health Market Survey.	12
Defining the Market.	13
Knowing Your Competition.	14
Overcoming Obstacles in Your Occupational	
Health Program.	15
The Treating Provider's Role in Workers' Comp	
Visits. 16	
Provider's Role.	16
Developing Return-to-Work Plans.	17
Prescribing Activity.	18
Activity Prescription Explanation.	18
Duration.	20
Guidance on Medical Confidentiality in	
the Workplace.	20
Getting Started.	22
Get ALL Center Staff in the Sales Game	28
Teamwork in Action: Sales/Marketing	
Responsibilities.	28
Determine the Provider's Role in	
Occupational Health Marketing.	28
Clearly Define Your Time Commitment	29
Show Value.	29
Occupational Health Sales Process.	30
Using Your Provider for Sales and	
Marketing.	31
Making the Most of Providers' Time	
with Employers.	31

EXHIBIT H
SAMPLE GENERAL RELEASE

GENERAL RELEASE

The following is our current general release language that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

General Release

THIS GENERAL RELEASE (the “**Release**”) is made and entered into on this ____ day of _____, 20__ (the “**Effective Date**”), by and between:

- AFC Franchising, LLC, an Alabama limited liability company whose principal place of business is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**Franchisor**”); and
- _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at [“(Franchisee”)”] [“(Transferor”)”].

ROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated _____ (the “**Agreement**”);

B. Franchisor and Franchisee have agreed, pursuant to the Agreement, [to renew or extend Franchisee’s rights under the Agreement (the “**Renewal Transaction**”)] [to permit a transfer or assignment of _____ pursuant to the Agreement (the “**Transfer Transaction**”)], and in connection with the [Renewal Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], on its own behalf and on behalf of its current and former parents, affiliates, and subsidiaries, and your and each of the foregoing person’s or entity’s respective agents, spouses, heirs, executors, administrators, principals, attorneys, partners, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (the “**Franchisee Group**”), hereby forever release and discharge, and forever hold harmless AFC Franchising, LLC, its current and former parents, subsidiaries, and affiliates, and our and each of such foregoing entity’s respective current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (the “**Franchisor Group**”), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Agreement, the relationship created by the Agreement, or the development, ownership, or operation of any American Family Care Center. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys’, accountants’, and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has,

ever had, or hereafter would or could have, as a result of, arising from, or under the Agreement or any American Family Care Center. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein and further covenant not to sue the Franchisor Group on any of the claims released by this paragraph.

IF FRANCHISEE'S CENTER IS LOCATED IN CALIFORNIA OR IF THE FRANCHISEE PARTIES ARE RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS THE [FRANCHISEE] [TRANSFEROR]'S INTENTION, ON ITS OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY THE FRANCHISEE PARTIES. [FRANCHISEE] [TRANSFEROR] RECOGNIZE THAT THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR GROUP OF WHICH THEY ARE TOTALLY UNAWARE AND UNSUSPECTING, WHICH THEY ARE GIVING UP BY EXECUTING THIS RELEASE. IT IS [FRANCHISEE] [TRANSFEROR]'S INTENTION, ON ITS OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE EACH OF THEM OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT THEM FROM ASSERTING IT AGAINST THE FRANCHISOR GROUP. IN FURTHERANCE OF THIS INTENTION, [FRANCHISEE] [TRANSFEROR], ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

[FRANCHISEE] [TRANSFEROR] ACKNOWLEDGES AND REPRESENTS THAT IT HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT [FRANCHISEE] [TRANSFEROR] UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing, and agreed to by all of the parties hereto.

This release expressly excludes claims arising from representations in Franchisor’s FDD or its exhibits or its amendments thereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

<u>AFC Franchising, LLC</u>	_____
Franchisor	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT I

STATE ADDENDA AND AGREEMENT RIDERS

AFC Franchising, LLC

Ex. I – ~~2025~~[2025-10](#) State-Addenda and Agreement Riders

~~1579.002.001/427134~~[1579.002.002/441779](#)

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
AFC FRANCHISING, LLC**

The following are additional disclosures for the Franchise Disclosure Document of AFC Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to Franchisee if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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

1. 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 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 with the franchise.

2. 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.

3. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR AREA DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

4. OUR WEBSITES, www.afcurgentcare.com and www.afcfranchising.com, HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

5. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division

6. In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

7. CALIFORNIA PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM PRACTICING, ANY SYSTEM OR MODE OF TREATING THE SICK OR AFFLICTED IN THIS STATE, OR WHO DIAGNOSES, TREATS, OPERATES FOR, OR PRESCRIBES FOR ANY AILMENT, BLEMISH, DEFORMITY, DISEASE, DISFIGUREMENT, DISORDER, INJURY OR OTHER PHYSICAL OR MENTAL CONDITION OF ANY PERSON. (See Business and Professions Code section 2052.)

8. You are responsible for complying with all laws that apply to your Center, including those relating to the medical industry, which is heavily regulated. To assist you in your efforts, we provide the following additional information to facilitate your evaluation of a potential franchised business in California:

If you operate within California, one of the laws that will apply to you and which you should evaluate is the California Medical Practice Act, which includes certain prohibitions against the corporate practice of medicine. The Medical Board of California is a state government agency which licenses and disciplines medical doctors in California. The California laws governing the practice of medicine and other allied health care professions that are regulated by the California Medical Board are contained in the California Business and Professions Code. Additional information regarding the Medical Board and the California Medical Practice Act may be found on the California Medical Board's website at <http://www.medbd.ca.gov/>.

We strongly advise that you consult with an attorney who is familiar with these laws and regulations, and/or contact local, state and federal agencies before signing a Franchise Agreement with us, or a Management Agreement with a PC, to determine your legal obligations and evaluate the possible effects on your costs and operations.

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

Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document 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. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

10. The following paragraphs are added to the Remarks column in Item 6 to the row titled "Interest on Overdue Amounts":

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

11. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and area developers concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. These provisions might not be enforceable under California law.

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement and Area Development Agreement require application of the laws of the State of Alabama. This provision might not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Area Development Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement and Multi-Unit Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Multi-Unit Agreement require binding arbitration. The arbitration will be conducted at our then current principal place of business (currently Irvine, California) or another location that we designate with the costs being borne as provided in the Franchise Agreement and Multi-Unit Agreement. Prospective developers and franchisees are encouraged to consult 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 the Franchise Agreement and Multi-Unit Agreement restricting venue to a forum outside the State of California.

12. The following paragraph is added to the end of Item 19:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to

obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

HAWAII

DO NOT SIGN THE REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT (ATTACHED AS EXHIBIT F TO THE FRANCHISE AGREEMENT) IF YOU ARE LOCATED, OR YOUR CENTER WILL BE LOCATED, IN THE STATE OF HAWAII.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

1. 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 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 with the franchise.

2. The "Summary" section of Item 17.u, entitled "**Dispute resolution by arbitration or mediation**", and the "Summary" section of Item 17.v, entitled "**Choice of forum**", are supplemented with the following:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

3. The "Summary" section of Item 17.w, entitled "**Choice of law**", is deleted and replaced with the following:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and Multi-Unit Agreement.

4. The following paragraphs are added to the end of Item 17:

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a franchise agreement/multi-unit agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. 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. THEREFORE, YOU MAY NOT WAIVE THE MANAGEMENT AGREEMENT COMPONENT OF THIS FRANCHISE OFFERING. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2014) and Medical Practice Act of 1987, 225 ILCS 60/3 ('West 2014).

6. WHILE ITEM 8 DISCLOSES THAT YOU MUST PURCHASE SOME OF YOUR MEDICAL EQUIPMENT & MEDICAL SUPPLIES FROM FRANCHISOR'S AFFILIATE, THIS MAY CONSTITUTE A VIOLATION OF HEALTHCARE LAWS AND REGULATIONS, AS UNLICENSED PERSONS MAY NOT DICTATE MEDICAL EQUIPMENT & SUPPLIES TO BE USED BY MEDICAL PROVIDERS.

7. IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL OWN AND PROVIDE MEDICAL SERVICES IN THE CLINIC THAT YOU WILL BE RESPONSIBLE FOR MANAGING. YOUR COMPENSATION FROM THE MEDICAL SERVICES PROVIDED, AS WELL AS ROYALTIES, YOU MUST PAY ON REVENUES FROM MEDICAL SERVICES PROVIDED BY THOSE MEDICAL PROFESSIONALS WILL BE AN IMPORTANT CONSIDERATION THAT SHOULD NOT BE OVERLOOKED. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

MARYLAND

1. 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 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 with the franchise.

2. The following language is added at the end of Items 5 and 7:

Based upon the franchisor's financial 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 development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law.

4. ~~3.~~ The “Summary” sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**, are amended to add the following:

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

5. ~~4.~~ The following language is added to the end of the chart in Item 17:

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

The Franchise Agreement and Area Development Agreement provide 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. ~~5.~~ The following is added to the end of the “Summary” section of Item 17.h, entitled **“Cause” defined – non-curable defaults**:

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

MINNESOTA

1. 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 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 with the franchise.

2. Item 6 line item entitled “Lost Revenue Damages” will not be enforced to the extent prohibited by the applicable laws.

3. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

5. Provided you have complied with all provision of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks, and we also will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your use of the Marks in accordance with Minnesota Statutes, Section 80C.12, Subd. 1(g).

6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

8. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NORTH DAKOTA

1. The section of the Item 6 chart, entitled **Lost Revenue Damages**, is deleted in its entirety.

2. The following is added to the end of the "Summary" sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. The following language is added to the end of the "Summary" section of Item 17(v) in the table pertaining to the Development Agreement, entitled **Choice of forum**:

Notwithstanding the foregoing, to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims under the North Dakota Franchise Investment Law.

4. The "Summary" section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Alabama will

apply.

VIRGINIA

1. The following statements are added to the end of Item 17(h):

Under 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 grounds for default or termination stated in the Franchise Agreement do 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.

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the Disclosure Document for AFC Franchising, LLC in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

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 under RCW 19.100 may be 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 Acknowledgements.** 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 Franchisee 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.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE AFC FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because Franchisee is domiciled in the State of Illinois, or (b) the offer for the sale of the franchise was made or accepted in the State of Illinois and the Center that Franchisee operates under its Franchise Agreement is or will be operated in the State of Illinois.

2. **Illinois Franchise Disclosure Act:** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Franchisee’s rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. **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. THEREFORE, YOU MAY NOT WAIVE THE MANAGEMENT AGREEMENT COMPONENT OF THIS FRANCHISE OFFERING. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2014) and Medical Practice Act of 1987, 225 ILCS 60/3 (West 2014)

4. **YOU MUST PURCHASE MEDICAL EQUIPMENT & MEDICAL SUPPLIES IN COMPLIANCE WITH APPLICABLE LAWS AND AS DIRECTED BY THE PC.**

5. **IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL OWN AND PROVIDE MEDICAL SERVICES IN THE CLINIC THAT YOU WILL BE RESPONSIBLE FOR MANAGING. YOUR COMPENSATION FROM THE MEDICAL SERVICES PROVIDED, AS WELL AS ROYALTIES YOU MUST PAY ON REVENUES FROM MEDICAL SERVICES PROVIDED BY THOSE MEDICAL PROFESSIONALS WILL BE AN IMPORTANT CONSIDERATION**

THAT SHOULD NOT BE OVERLOOKED. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

6. 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE AFC FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland; or (b) the Center that Franchisee operates under its Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

2. **INITIAL FEES.** The following language is added to the end of Section 3.1 of the Franchise Agreement:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under this Agreement.

3. ~~2-~~The following is added to the end of Section 12.3(1) under the heading “Conditions for Approval of Transfer”, Section 13(e) under the heading “**EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE**”, and Section 15.5(b) under the heading “Our Right to Purchase Certain Assets of your Center” of the Franchise Agreement:

The general release required as a condition of assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. ~~3-~~The following is added to the end of Section 14.1 under the heading “Automatic Termination” of the Franchise Agreement:

This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. ~~4-~~The following is added to the end of Section 17.5.2 under the heading “Arbitration” of the Franchise Agreement:

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 Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. ~~5-~~The following is added to the end of Section 17.6 under the heading “Governing Law” and Section 17.7 under the heading “Consent to Jurisdiction” of the Franchise Agreement:

A franchisee may bring a suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. ~~6.~~ The following is added to the end of Section 17.9 under the heading “Limitation of Claims” 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.

8. ~~7.~~ Section 26 of the Franchise Agreement, under the heading “**ACKNOWLEDGMENTS**” shall be amended by the following:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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.

9. ~~8.~~ 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE AS
A CORPORATION, LIMITED LIABILITY
COMPANY, OR PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE AFC FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Franchisee is a resident of the State of Minnesota, (b) the Center that Franchisee will operate under the Franchise Agreement is or will be located in the State of Minnesota; or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in the State of Minnesota.

2. The following sentence is added to the end of Section 5.5 under the heading “Indemnification for Use of Marks” of the Franchise Agreement:

Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. The following is added to the end of Section 12.3(1) under the heading “Conditions for Approval of Transfer”, Section 13(e) under the heading “**EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE**”, Section 15.5(b) under the heading “Our Right to Purchase Certain Assets of your Center” of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. The following language is added to the end of Section 15.7 under the heading “Lost Revenue Damages” of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

5. The following is added as a new paragraph to the end of Section 13 and as a new Section 15.8 to the Franchise Agreement under the heading “New Agreement Upon Expiration and Termination of Agreement”:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

6. The following is added to the end of Section 17.5.1 under the heading “Mediation” and Section 17.5.2 under the heading “Arbitration” of the Franchise Agreement:

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

7. The following is added to the end of Section 17.6 under the heading “Governing Law” of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of Franchisee’s rights under Minnesota Statutes Chapter 80C or Franchisee’s right to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. The following is added to the end of Section 17.7 under the heading “Consent to Jurisdiction” of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

9. If and then only to the extent required by the Minnesota law, Section 17.8 of the Franchise Agreement, under the heading “Waiver of Punitive Damages, Class Action, and Jury Trial” are deleted.

10. The following is added to the end of Section 17.9 under the heading “Limitation of Claims” of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

11. 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 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 with the franchise.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE AFC FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota, (b) an offer to buy is accepted in the State of North Dakota; or (c) if the franchisee is domiciled in the State of North Dakota, the franchised business is or will be operated in the State of North Dakota.

2. The following is added to the end of Section 12.3(1) under the heading “Conditions for Approval of Transfer”, Section 13(e) under the heading “**EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE**”, Section 15.5(b) under the heading “Our Right to Purchase Certain Assets of your Center” of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law

3. The following is added to the end of Section 15.4 under the heading “Covenant Not to Compete” and Section 15.6 under the heading “Continuing Obligations” of the Franchise Agreement:

Covenants not to compete, such as those mentioned above, are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. The following language is added to the end of Section 15.7 under the heading “Lost Revenue Damages” of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. The following is added to the end of Section 17.5.2 under the heading “Arbitration” of the Franchise Agreement:

; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

6. The following is added to the end of Section 17.6 under the heading “Governing Law” of the Franchise Agreement:

Except to the extent required by North Dakota law, the laws of the State of Alabama will apply.

7. The following is added to the end of Section 17.7 under the heading “Consent to Jurisdiction” of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. To the extent required by the North Dakota Franchise Investment Law, Section 17.8 under the heading “Waiver of Punitive Damages, Class Action, and Jury Trial” and Section 17.9 under the heading “Limitations of Claims” of the Franchise Agreement are deleted. Otherwise, the following is added to the end of Section 17.8 and Section 17.9:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

9. 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 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 with the franchise.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**RIDER TO THE AFC FRANCHISING, LLC
FRANCHISE AGREEMENT AND RELATED AGREEMENTS
FOR USE IN WASHINGTON**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

BACKGROUND. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (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 under RCW 19.100 may be 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 Acknowledgements.** 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 Franchisee 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

**(IF YOU ARE TAKING THE FRANCHISE
AS A CORPORATION, LIMITED
LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE TAKING THE FRANCHISE
INDIVIDUALLY AND NOT AS A LEGAL
ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE
AREA DEVELOPMENT AGREEMENT**

**THE RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Developer**”).

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) Developer is domiciled in the State of Illinois, or (b) the offer for the sale of the franchise was made or accepted in the State of Illinois and the Illinois Centers that Developer will develop under its Development Agreement is or will be developed in the State of Illinois.

2. **Illinois Franchise Disclosure Act:** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Franchisee’s rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. 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. THEREFORE, YOU MAY NOT WAIVE THE MANAGEMENT AGREEMENT COMPONENT OF THIS FRANCHISE OFFERING. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2014) and Medical Practice Act of 1987, 225 ILCS 60/3 (West 2014)

4. YOU MUST PURCHASE MEDICAL EQUIPMENT & MEDICAL SUPPLIES IN COMPLIANCE WITH APPLICABLE LAWS AND AS DIRECTED BY THE PC.

5. IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL OWN AND PROVIDE MEDICAL SERVICES IN THE CLINIC THAT YOU WILL BE RESPONSIBLE FOR MANAGING. YOUR COMPENSATION FROM THE MEDICAL SERVICES PROVIDED, AS WELL AS ROYALTIES YOU MUST PAY ON REVENUES FROM MEDICAL SERVICES PROVIDED

BY THOSE MEDICAL PROFESSIONALS WILL BE AN IMPORTANT CONSIDERATION THAT SHOULD NOT BE OVERLOOKED. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

6. 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Developer**”).

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) Developer is a resident of the State of Maryland; or (b) the development area is or will be located in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

2. **DEVELOPMENT FEE.** The following language is added to the end of Section II of the Area Development Agreement:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required financial assurance. Therefore, all development fees and initial payments by area developers shall be deferred until the first franchise under this Agreement opens.

3. ~~2.~~ All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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.

4. ~~3.~~ The following is added to the end of Section V.B under the heading “**DEFAULT**” of the Development Agreement:

The provision which provides for termination upon your bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. ~~4.~~ The following is added to the end of Section VI.C(5) under the heading “**TRANSFERABILITY**” of the Development Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law

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

7. ~~6.~~ The following paragraphs are added to the end of Section XII, under the heading “**DISPUTE RESOLUTION**” of the Development Agreement:

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

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 Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

8. ~~7.~~ 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Developer**”).

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the Developer is a resident of the State of Minnesota; (b) the development area is or will be developed in the State of Minnesota; or (c) any of the offering or sales activity relating to the Development Agreement occurred in the State of Minnesota.

2. The following is added as a new paragraph to the end of Section V, under the heading “**DEFAULT**” of the Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

3. The following is added to the end of Section VI.C(5) under the heading “**TRANSFERABILITY**” of the Development Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. The following paragraphs are added to Section XII, under the heading “**DISPUTE RESOLUTION**” of the Development Agreement:

You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the developer’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The section must comply with Minnesota Statutes, Section 80C.17, Subd, 5.

5. The following is added to the end of Section XII.E:, under the heading “**DISPUTE RESOLUTION**” of the Development Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

6. 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Developer**”).

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are a resident of the State of North Dakota and the development area is located or operated in the State of North Dakota; and/or (b) the offer for sale of the development rights was made or accepted in the State of North Dakota.

2. The following is added to the end of Section VI.C(5) under the heading “**TRANSFERABILITY**” of the Development Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law

3. The following language is added to the end of the first paragraph of Section XII.A under the heading “**DISPUTE RESOLUTION**” of the Development Agreement:

; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

4. The following is added to the end of Section XII under the heading “**DISPUTE RESOLUTION**” of the Development Agreement:

Except to the extent required by North Dakota law, the laws of the State of Alabama will apply.

5. The following is added to the end of Section XII.A under the heading “**DISPUTE RESOLUTION**” of the Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

6. To the extent required by the North Dakota Franchise Investment Law, Section XII.B under the heading “**DISPUTE RESOLUTION**” of the Development Agreement are deleted. Otherwise, the following is added to the end of Section XII.E:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

7. 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS
FOR USE IN WASHINGTON**

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and _____ a(n) _____ whose principal business address is _____ (“**you**” or “**Developer**”).

BACKGROUND. We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (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 under RCW 19.100 may be 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 Acknowledgements.** 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 Franchisee 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.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

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	Exempt
Hawaii	~~May 6, 2025~~ _____
Illinois	Exempt
Indiana	Exempt
Maryland	Pending
Michigan	April 25, <u>2025; as amended October 16, 2025</u>
Minnesota	May 30, <u>2025; as amended _____</u> , 2025
New York	Exempt
North Dakota	Exempt
Rhode Island	Exempt
South Dakota	April 29, <u>2025; as amended October 16, 2025</u>
Virginia	August 19, <u>2025; as amended _____</u> , 2025
Washington	Exempt
Wisconsin	April 29, <u>2025; as amended October 16, 2025</u>

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.

EXHIBIT J

RECEIPTS

RECEIPT (OUR COPY)

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 AFC Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, AFC Franchising, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, AFC Franchising, LLC must give you this disclosure document at the earlier of our first personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, AFC Franchising, LLC or its affiliate in connection with the proposed franchise sale. Under Michigan law, AFC Franchising, LLC must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

The franchisor is AFC Franchising, LLC, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902. The franchise seller for this offering is:

☐ Jeremy Morgan AFC Franchising, LLC 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (205) 403-8902	☐ _____ AFC Franchising, LLC 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (205) 403-8902	☐ _____ _____ _____ _____ _____
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Issuance date: April 25, 2025; [as amended October 16, 2025](#)

See Exhibit E for AFC Franchising, LLC's registered agents authorized to receive service of process. I have received a disclosure document dated April 25, 2025; [as amended October 16, 2025](#), that included the following Exhibits:

- | | |
|--|--|
| A Form of Franchise Agreement
B Form of Area Development Agreement
C Form of Conversion Addendum
D List of State Administrators and Agents for Service of Process
E List of Franchisees (Current Franchisees and Franchisees Who Have Left the System or Not Communicated with Franchisor) | F Financial Statements
G Table of Contents for Manual
H Sample General Release
I State Addenda and Agreement Riders
J Receipts |
|--|--|

Prospective Franchisee:

If a business entity:

Name of Business Entity

Signature: _____

Title: _____

Print Name: _____

Dated: _____

(Do not leave blank)

If an individual:

Print Name: _____

Dated: _____

(Do not leave blank)

Please return a completed and signed copy of this Receipt by mail or email to AFC Franchising, LLC 3700 Cahaba

Beach Road, Birmingham, Alabama 35242, Email: afclegal@americanfamilycare.com

RECEIPT (YOUR COPY)

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