

FRANCHISE DISCLOSURE DOCUMENT



ARCpoint Franchise Group, LLC
A South Carolina limited liability company
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ARCpoint ~~Labs businesses provide~~Franchise Group, LLC offers franchisees the opportunity,
consistent with state and federal law, to operate a business which provides lab screening and testing services
and other related services to commercial businesses (~~“under the ARCpoint Labs~~ trademark (“ARCpoint Labs
business”).

The total investment necessary to begin the operation of ~~one~~ a franchised ARCpoint Labs business
is ~~\$175,300~~165,700 to ~~\$342,220. This~~310,420, which includes ~~\$72~~62,000 which must be paid to the
franchisor or its affiliates.

If you ~~enter into~~sign a Multi-Franchise Addendum, the total initial investment necessary to begin
operation of two to five ARCpoint Labs businesses is ~~\$224,800~~313,900 to ~~\$515,220~~741,000. This includes
~~\$121,111,500~~ to ~~\$245,235,000~~ which must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other
information in plain English. Read this disclosure document and all accompanying agreements carefully.
You must receive this disclosure document at least 14 calendar days before you sign a binding agreement
with or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale.
**Note, however, that no ~~governmental~~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 ~~the Corporate Office by mail at~~
~~101~~Kelly Cromptvoets, 303 Perimeter Center North Main Street, Suite 301, Greenville, South Carolina
~~29601 or by telephone at~~575, Atlanta, GA 30346 and (864) 271-3210 ~~or by email to~~
~~info@arcpointlabs.com.~~

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

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

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

Issuance Date: ~~April 8, 2024, as amended~~ August ~~22, 2024~~

8, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

To simplify the language in this ~~Franchise Disclosure Document~~, “~~AFG~~” disclosure document, “~~we~~”, “~~us~~”, and “~~our~~ Any Test Franchising” means ARCpoint Franchise Group, LLC, the franchisor. “~~You~~”, “~~your~~”, and “~~Franchisee~~” means the person, ~~and its owners if the Franchisee is a business or~~ entity, ~~who that~~ buys the franchise ~~from AFG~~ (the “Franchisee”). If an entity is the Franchisee, “you” includes the Franchisee’s owners.

The Franchisor

ARCpoint Franchise Group, LLC ~~was organized as is~~ a South Carolina limited liability company formed on February 11, 2005. Our principal business address is ~~101303 Perimeter Center North Main Street, Suite 301, Greenville, South Carolina 29601.~~ 575, Atlanta, Georgia 30346. Our agents for service of process are disclosed in Exhibit D to this disclosure document. We do not operate any ARCpoint Labs businesses. As of December 31, ~~2023~~ 2024, there were ~~138~~ 124 franchised ARCpoint Lab businesses in ~~the United States.~~ We do not operate any ARCpoint Labs Businesses operation.

From July 2005 until January 2010, we offered franchises under the “AccuDiagnostics” name and mark that offered drug, alcohol, and paternity DNA testing. Since January 2010, we have only offered franchises under the “ARCpoint” name. ~~During the initial response to the COVID-19 pandemic, we offered a temporary license program for mobile and drive-through testing for COVID-19, but we no longer offer this program.~~

~~If we have an agent for service of process in your state, we disclose that agent in Exhibit A.~~

Our Parents, Predecessors and Certain Affiliates

Our parent, Cresso Brands, LLC (“Cresso Brands”), is a Delaware limited liability company with a principal business address of 2035 Colonial Boulevard, Fort Myers, Florida 33907. Cresso Brands is owned by ALTN Holdings, LLC (“ALTN Holdings”), a Florida limited liability company with a principal business address of 2035 Colonial Boulevard, Fort Myers, Florida 33907 and ARCpoint Group LLC (“ARCpoint Group”), a Delaware corporation with a principal business address of 101 North Main Street, Suite ~~301E~~, Greenville, South Carolina 29601. The Lags Trust is the majority and controlling member of ALTN Holdings with a principal business address of 2035 Colonial Boulevard, Fort Myers, Florida 33907. ARCpoint Group’s parent is ARCpoint Inc., a Canadian corporation, (“ARCpoint Inc.”) whose principal business address is 333 Bay Street, Suite 635, Toronto, Ontario, M5H 2R2, Canada.

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

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

business operations. As of December 31, ~~2023~~2024, there were ~~221~~237 Any Lab Test Now businesses in operation.

We do not have a predecessor. We do not have any other ~~parents or~~ affiliates that ~~must be disclosed~~offer franchises in ~~this Item~~any line of business or provide products or services to our franchisees.

The Franchise Business

ARCpoint Labs businesses offer a variety of healthcare and safety services to commercial businesses, including: screening, and related services both on and off-site; drug, alcohol, DNA and clinical testing; background screens; occupational health and corporate wellness services including vaccines (COVID, flu, etc.) and physicals; regulatory compliance services (primarily directed toward businesses who fall under the U.S. Department of Transportation's ("DOT") rigid regulatory federal guidelines); and telehealth services, ~~a subscription service that provides 24/7 access to a certified physician via telephone or other electronic device without a consultation fee.~~

~~We offer qualifying prospects the opportunity to sign a franchise agreement (the "Franchise Agreement") to operate an ARCpoint Labs Business retail location at a site approved by us ("Approved Location") and to provide additional products and services off-site to customers located within a certain non-exclusive geographic territory ("Territory"). As our franchisee, you will conduct business under the trademark "ARCpoint Labs" and any other identifying marks, trade names, service marks, logos or symbols that we now use, or that we later develop ("Marks") and use our unique system for the establishment, development and operation of your ARCpoint Labs Business ("System"). The System is characterized by a number of features including unique and recognizable exterior and interior layout and content for the physical retail location; uniform requirements for display signs, equipment, color scheme; uniform systems of operation; our Confidential Operations Manual, which is made available electronically (the "Manual"); furnishings and materials; our software and computer programs; our selection of approved products and services that you may offer and sell; methods and techniques for regulatory compliance, safety, inventory and cost controls, record keeping and reporting, personnel management, purchasing, sales promotion and advertising; our customer service standards; any guidelines, standards, specifications, rules, procedures, policies, methods, requirements and directives we establish ("System Standards") as set out in our Manual and otherwise in writing. The Manual includes the System Standards and confidential operations manual and any other items as may be provided, added to, changed, modified, or otherwise revised by us from time to time that contain or describe the standards, methods, procedures, and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda, and other publications prepared by, or on behalf of, us. We may change, improve, add to, and further develop the elements of the System from time to time.~~

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

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

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

The testing, screening, and related products and services provided at ~~your~~ ARCpoint Labs business brick and mortar retail ~~location~~ locations are referred to in this disclosure document as the “Lab Operations” portion of ~~your~~ the business. ARCpoint Labs ~~Business. The Franchise Agreement~~ businesses also ~~grants you the right to~~ subcontract certain testing, screening, and related products by contracting with an approved online customer intake and test scheduling platform that ~~will allow you~~ allows customers to schedule laboratory services at a variety of collection sites, including non-ARCpoint Labs businesses (“Subcontracted Services”). ~~You will also have the right under the Franchise Agreement to~~ ARCpoint Labs businesses also provide certain testing, screening, and related products and services on-site at customers’ or third parties’ businesses located within ~~your~~ their Territory (“Onsite Services”). ~~This Franchise Disclosure Document refers collectively to~~ The Subcontracted Services and Onsite Services are referred to collectively as the “Onsite/Online Operations” portion of ~~your~~ an ARCpoint Labs business.

~~In certain circumstances, we may, in our sole discretion, allow franchisees the right to provide certain moderate and high complexity laboratory services as part of their ARCpoint Labs Business, provided that franchisees are in compliance with their franchise agreement, our System Standards, and the laws that regulate moderate and high complexity laboratory services.~~

We, our affiliates, and our franchisees may solicit and negotiate national and regional agreements with ~~commercial business customers~~ third-party administrators (“TPAs”) that ~~have~~ act as service agents that provide or coordinate one or more drug and/or alcohol testing services to employers with locations ~~spanning that span~~ multiple territories under either a drug-free workplace program or DOT guidelines (each a “TPA Account”). You may establish and administer a TPA Account for a business customer with its headquarters or principal place of business within your Territory, and additional locations outside of your Territory if the additional locations are owned and operated by the same parent company. You may also service TPA Accounts administered by us, our affiliates or other franchisees. (See Item 12 for more information about TPA Accounts).

We ~~may, in our sole discretion,~~ offer ~~you~~ certain qualified franchisees the opportunity to purchase multiple Territories and enter into multiple Franchise Agreements ~~(using the form of the Franchise Agreement attached as Exhibit C to this Disclosure Document)~~ at the same time, ~~which will be accompanied by~~ through a Multi-Franchise Addendum (the “MFA”) ~~(the current form of which is attached as Schedule 9 to the Franchise Agreement)~~ to this disclosure document as Exhibit C. Currently, there is no maximum number of franchise agreements that may be signed in conjunction with an MFA. If you sign an MFA and fail to satisfy the development deadlines specified in the ~~addendum, MFA, then~~ we will have the right to terminate any Franchise Agreements that you already signed for ARCpoint Lab Businesses that have not commenced Lab Operations at the time of the breach. If you do not sign an MFA, you will have no rights to develop or operate an ARCpoint Lab Business in more than one Territory unless you sign additional Franchise Agreements.

~~The form of the Franchise Agreement we currently offer (Exhibit C to this Disclosure Document) may have terms different from the various forms of agreement we have used in the past. We reserve the right to change the form and terms of the Franchise Agreement in the future.~~

Market and Competition

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

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

Industry-Specific Laws

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

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

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

~~In addition, you must comply with local, state, and federal patient and data privacy and protection laws and regulations, including without limitation the Health Insurance Portability and Accountability Act (“HIPAA”), which sets procedures and guidelines for maintaining the privacy and confidentiality of an individual’s medical records/tests. Your ARCpoint Labs Business will collect data related to your customers, including without limitation, information about the businesses to whom you sell laboratory~~

~~services (“Customer Data”), some of which may contain personally identifiable information, such as names, addresses, and employee lists. You may also collect data about the individuals for whom you perform collection and testing, including medical information, such as test results (“Patient Data”). You must at all times comply with all federal, state, and local data privacy and security laws which may apply to your ARCpoint Labs Business and govern the use and protection of both Customer Data and Patient Data. You must ensure that all of your collection and retention methods comply with these laws. We have done no independent investigation or research into these requirements, and it is entirely your responsibility to ensure your own compliance with these laws. We own all Customer Data that you collect, as further outlined in Item 11; however, we do not own the Patient Data.~~

~~You must ensure that your credit card processing equipment is compliant with the most recent Payment Card Industry Data Security Standards (“PCI DSS”).~~

~~The laws, rules, regulations, and ordinances that may apply to the operation of your ARCpoint Labs Business include those that: (a) require a permit, certificate, or other license; (b) establish general standards, specifications, and requirements for the construction, design, and maintenance of your business site and premises; (c) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements, restrictions on smoking and exposure to tobacco smoke or other carcinogens, availability of and requirements for public accommodations, including restroom facilities and public access; (d) set standards on employee health and safety; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) regulate the proper use, storage, and disposal of waste or other hazardous materials. You must also obtain all necessary permits, licenses, and approvals to operate your ARCpoint Labs Business.~~

~~You are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your ARCpoint Labs Business, despite any advice or information that we may give you. You should consult with a legal professional about whether these and/or other requirements apply to your ARCpoint Labs Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.~~

Incentive Referral Program

~~From time to time, we use an incentive referral program (“Incentive Referral Program”) for our existing franchisees and their employees, to refer franchise prospects to us. Under these programs, we pay cash compensation of \$5,000 or provide other benefits and inducements for the referral of qualified franchise prospects. The Incentive Referral Program is available to the first franchisee that refers any particular franchise prospect to us. The compensation or benefit will not be paid unless the franchise prospect enters into a franchise agreement with us. The Incentive Referral Program may be altered, modified, suspended, or terminated at any time. This referral program is available in all states except the State of Washington.~~

ITEM 2 BUSINESS EXPERIENCE

~~Unless otherwise indicated, the individuals listed below are based in Greenville, South Carolina.~~

~~Founder: Felix Miranda~~

~~Mr. Miranda is our founder~~ EMPLOYEES OF ARCPOINT FRANCHISE GROUP, LLC

Kelly Cromptvoets, Interim President and currently serves in an advisory capacity. From February

~~2005 to October 2021, he~~ Director

Kelly Cromptvoets has been our Interim President since March 2025. She has served as our ~~Chairman~~ a Member of the Board of Directors of Cresso Brands since August 2024 and as Chief Marketing Officer for Cresso Brands since March 2025. She served as ATF's Vice President of Marketing from October 2021 to February 2025. From November 2012 to April 2021, she served in various roles for Home Franchise Concepts, LLC in Irvine, California including as Vice President of Marketing from August 2016 to January 2018, Vice President of Franchise Relations from February 2005 to November 2018, he 2018 to February 2020 and Vice President of Operations - Budget Blinds from February 2020 to April 2021. Ms. Cromptvoets has held each of these positions in Anaheim Hills, California.

Jamie Welch, Vice President of Strategy

Jamie Welch has been our Vice President of Strategy since May 2023 . She served as our ~~Chief Executive Officer. Since its incorporation in 1998, Mr. Miranda has been the~~ Director of Strategic Initiatives from October 2020 to May 2023. She served as our Vice President of Franchise Development from December 2019 to October 2020. She served as our Development Director from August 2019 to December 2019. She also served as our Go to Market Manager for Screening Solutions from October 2018 to December 2019. Ms. Welch has held each of these positions in Indianapolis, Indiana.

EMPLOYEES OF CRESSO BRANDS, LLC

Lynn Brewer, Franchise Development Director

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

Haigen Miranda, Franchise Development Director

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

Clarissa Bradstock - Director

Clarissa Bradstock has served as a Member of the Board of Directors of Cresso Brands since August 2024. She also has served as ATF's Chief Executive Officer ~~of our affiliate, Occupational Drug Screening, Inc. ("ODS")~~ and Director since March 2014. From July 2013 to March 2014, she served as ATF's Acting Chief Executive Officer. From June 2007 to July 2013, Ms. Bradstock served as ATF's Chief Operating Officer. She has also served as Chief Executive Officer of ALTN Houston, LLC since December 2013. Ms. Bradstock has held each position in Atlanta, Georgia.

~~Chief Strategic Officer: John Constantine, Director~~

Mr. John ~~Constantine has served as our Chief Strategic Officer since August 2024. He also serves as a Member of the Board of Directors of Cresso Brands-~~ in Greenville, South Carolina since August 2024.

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

~~President and Chief Executive Officer: Robert Mann~~

~~Mr. Mann~~ Adam Blaine Ho, Director

Adam Blaine Ho has served as ~~our President since March 2023 and as our Chief Executive Officer since August 2024. He also serves as~~ a Member of the Board of Directors of Cresso Brands. ~~From August 2012 to March 2023, he was the Executive Vice President of Cordant Health Solutions in Denver Colorado. Mr. Mann is based in Charlotte, North Carolina.~~

~~Vice President of Strategy: Jamie Welch~~

~~Ms. Welch has been our Vice President of Strategy since May 2023. Previously, she 2025. He has also served as our Director of Strategic Initiatives from October 2020 to~~ ARCpoint Inc.’s Interim Chief Financial Officer since May 2023. She 2025 and Director since October 2022. He has served as AFG’s Vice President of Franchise Development from December Waverunner Capital Inc.’s Director since April 2024. He has also served as Principal of Adamant Communications since June 2006. From November 2022 to January 2024, he served as Hire Technologies Inc.’s Director. From February 2019 to October 2020. She 2022, he served as AFG’s Development Director RSI International Systems Inc.’s Chief Executive Officer. From August 2019 2016 to December 2019. She also October 2022, he served as AFG’s Go to Market Manager for Screening Solutions RSI International Systems Inc.’s Director. From October 2018 to December 2019. September 2024, he served as Zincore Metals Inc.’s Director. From November 2014 to July 2022, he served as Zincore Metals Inc.’s Chief Financial Officer. Mr. Ho has held each position in Alberta, Canada.

Richard Simeone, Director

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

ITEM 3 LITIGATION

Pending Matters:

Rachel DeMara vs. ARCpoint Franchise Group, LLC and Cresso Brands, LLC, American Arbitration Association, AAA Claim No. 01-24-0007-6286. On September 6, 2024, the claimant-franchisee brought an arbitration action against us and our parent, Cresso Brands, alleging inadequate

franchise disclosures, failure to comply healthcare laws, and failure to provide various support services. The arbitration demand included claims for misrepresentation, violation of the South Carolina Business Opportunity Sales Act and Unfair Trade Practices Act, fraudulent inducement, breach of contract and declaration that the Franchise Agreement void. On January 31, 2025, we filed an Answer disputing and denying the claims, explaining our compliance with the law, and requesting the arbitrator to dismiss the claims and reimburse our expenses. On February 3, 2025, Claimant voluntarily dismissed Cresso Brands. The parties are engaged in discovery and the arbitration hearing is scheduled for November 10, 2025..

Lawsuits Filed Against Franchisees in 2024:

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

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

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Initial Single Unit Franchise Fee

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$54,500 when you sign the Franchise Agreement. ~~Of the Initial Franchise Fee, \$40,875 is attributable to the services, benefits, and rights you receive in connection with your Onsite/Online Operations, and \$13,625 is attributable to the services, benefits, and rights you receive in connection with your Lab Operations. In 2023, we collected Initial Franchise Fees ranging from \$39,500 (each for purchase of multiple territories) to \$54,500. The Initial Franchise Fee is due when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances.~~

~~We reserve the right to reduce the Initial Franchise Fee under certain circumstances, including: (i) as an economic incentive for a franchisee to open a certain location, with the determination made on a case by case review of all relevant economic factors, (ii) as an inducement for existing franchisees to open additional ARCpoint Labs Businesses, (iii) as an inducement for someone to reopen a closed ARCpoint Labs Business, (iv) as an inducement for someone to take over operating an ARCpoint Labs Business, or (v) as an inducement for a professional multi-unit operator to open several ARCpoint Labs Businesses. The amount of any reduction will be made on an individual basis and may depend on the condition of the premises, the need for upgrades and remodeling, any special circumstances that we consider appropriate, and/or other considerations.~~

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

You also must pay the Initial Training Fee

~~You must pay us a one-time initial training fee (“Initial Training Fee”) of \$12 in the amount of \$7,500 when you sign the Franchise Agreement. This The Initial Training Fee covers the cost of tuition for the initial training for all Required Trainees. This fee is non-refundable and is not uniformly imposed.~~

Business Development Training Fee

~~You must pay us a one-time business development training fee (“Business Development Training Fee”) of \$5,000 when you sign the Franchise Agreement. This fee covers the cost of providing business development training through the ARCpoint Foundations (or similar type) training program described below in Item 11 for all Required Trainees. This fee is non-refundable and is not uniformly imposed.~~

MFA

~~For the first ARCpoint Labs Business you develop pursuant to an MFA (or, if you are an entity, your principal owner contact), your first full-time medical assistant (or phlebotomist) and your manager (if you have hired a manager). The Initial Training Fee is fully earned upon payment, and there are no refunds under any circumstances.~~

~~During our last fiscal year, which ended on December 31, 2024, the Initial Franchise Fee is \$54,500. For each subsequent ARCpoint Labs Business developed pursuant to an MFA, up to the fourth business, Fees paid ranged from \$39,500 (each for purchase of multiple territories) to \$54,500. The factors that influenced our decision to adjust the Initial Franchise Fee is discounted included the number of locations to be opened by \$5,000 from the franchisee, if it’s an additional location for a franchisee, the length of time the franchisee had been associated with an affiliate of ours, and the size of the Territory (as defined in Item 12). We reserve the right to take these and other factors into consideration when offering adjustments to the Initial Franchise Fee you paid in the future.~~

Reduced Initial Franchise Fees Under the MFA

~~We offer a reduced Initial Franchise Fee for the previous franchisees that develop multiple ARCpoint Labs Business. For example, if you sign five businesses under the MFA as follows:~~

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

~~The Initial Franchise Fees paid under Franchise Agreements in conjunction associated with an MFA, you will pay an Initial Franchise Fee of (i) \$54,500 for the first business, (ii) \$49,500 for the second business, (iii) \$44,500 for the third business, (iv) \$39,500 for the fourth business the MFA are fully earned when paid and (v) \$39,500 for the fifth business. The initial fees are deemed fully earned by us once paid and we will not refund you any part of the initial fees, including are not refundable even if you fail to develop any ARCpoint Labs businesses by the deadlines set forth in the MFA or if any Franchise Agreement(s) subject to the MFA are is terminated.~~

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

Veterans' Initiative Program

~~We offer a veterans' initiative program. Under this program, honorably discharged veterans of the United States Armed Forces and their spouses receive up to a \$5,000 discount on the Initial Training Fee.~~

**ITEM 6
OTHER FEES**

Type of Fee (<u>Note 1</u>)	Amount	Due Date	Remarks
Certified Professional-Collector Training Fee	Currently \$225 per person attending training	Time of Training	If you require additional training or training for more than the Required Trainees.
DOT BAT Training Fee	Currently \$225 per person attending such training	Time of Training	If you require additional DOT BAT Training, or training for more than the Required Trainees.
Royalty <u>Fee</u>	The greater <u>Payable as follows:</u> 7% of 7% <u>7%</u> ("Royalty") of preceding monthly Gross Sales or Revenue per month with a minimum of \$350 per month ("Minimum Royalty") <u>(Note 2)</u>	Due <u>Payable by ACH</u> by the 10th <u>15th</u> day of each month for the previous calendar month.	The "Royalty" is based on Gross Sales during the previous month⁽²⁾. You will begin paying Royalties to us as soon as you begin generating Gross Sales from Onsite/Online or Lab Operations. Beginning on the earlier of the date you commence your Lab Operations or the deadline for commencing your Lab Operations per the Franchise Agreement, you shall pay us the greater of the Royalty or the Minimum Royalty monthly. Your Royalty is an ongoing payment that provides you the use of our System, Marks and our support and assistance. The Minimum Royalty is not meant to be an earnings claim for your ARCpoint Labs Business(es). <u>Beginning the first full month after your Business opens. Fees will be collected electronically by ACH.</u>

<p>Brand Fund Contribution <u>Doctor Referral Fee</u></p>	<p>The greater of 2% of your monthly Gross Sales (“Brand Fund Contribution”) or \$100 per month (“Minimum Brand Fund Contribution”) <u>Up to \$2 per requisition and/or injection</u></p>	<p><u>Payable quarterly by ACH and due by the 10th <u>15th</u> day of each <u>the</u> following month for the previous quarter.</u></p>	<p>This contribution will be used for a system-wide “Brand Fund” for our use in promoting and building the national ARCpoint Labs brand. You will begin making your Brand Fund Contribution as soon as you begin generating Gross Sales from Onsite/Online or Lab Operations. Beginning on the earlier of the date you commence your Lab Operations or the deadline for commencing your Lab Operations per the Franchise Agreement, you shall pay us the greater of the Brand Fund Contribution or the Minimum Brand Fund Contribution monthly. Most tests performed by ARCpoint businesses must be ordered by a physician. We may provide the physician, but you will be required to pay the per-test or per-injection Doctor Referral Fee. If the business is owned by a physician or recruits its own physician, then the physician can refer the test and forgo the Doctor Fee with our prior approval.</p>
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<p>Monthly Technology Fee</p>	<p>Currently, \$300 per month, starting 60 days after signing Franchise Agreement until you open <u>commence</u> Lab Operations location and \$450 per month thereafter, per ARCpoint Labs Business</p>	<p>Due <u>Payable by ACH</u> by the 10th <u>15th day</u> of each month for the previous calendar month.</p>	<p>This fee covers licensing fees for various technology platforms and ongoing staff support and maintenance of technology systems. We reserve the right to upgrade, modify, and add new software. We reserve the right to enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you. We also reserve the right to create proprietary software and technology that must be used by franchisees, in which case, we may require that you enter into a license agreement with us and pay us a reasonable initial and ongoing licensing, support and maintenance fees. You will be responsible for any increase in fees that result from any upgrades, modifications, or additional software. This fee may increase at our sole discretion and in amount determined by us in our sole discretion. FA Sec. 3.6.2. <u>The Technology Fee covers ongoing staff support and maintenance of technology systems. We have the right to increase the Technology Fee; however, the Technology Fee shall not exceed \$600 per month.</u></p>
<p>Annual HIPAA / OSHA Compliance Fee <u>National Marketing Fund</u></p>	<p>\$350 per year <u>Currently 2% of Gross Revenue per month. We may increase this to 3% of Gross Revenue.</u></p>	<p>Billed annually as incurred. <u>Payable by ACH by the 15th day of each month for the previous calendar month.</u></p>	<p>This fee covers cost of cloud based all-in-one medical compliance software solution that helps simplify HIPAA compliance by helping you achieve, illustrate, and maintain compliance for Covered Entities (as defined under HIPAA) with the full extent of federal HIPAA regulation in a compliance management system. This fee covers the cost of cloud based compliance solution to manage OSHA and safety requirements in your ARCpoint Lab Business. <u>See Item 11 for additional information regarding the National Marketing Fund.</u></p>

Late Fee, Returned-Check, or Insufficient-Funds Fee	\$100 per occurrence, with late payments bearing interest at lesser of 18% per annum or the highest rate allowed by law	As incurred	Payable if any check or electronic payment is late or not successful due to insufficient funds, stop payment, or any similar event.
Surcharge Fee	Up to 4% of total charge	As incurred	If payment is made to us by credit card for any fee required, we may charge a surcharge fee of up to 4% of the total charge, except where prohibited by law.
Collection Costs	Cost of collection	As incurred	Payable for all costs incurred by us in the collection of any unpaid and past due Royalties, Brand Fund Contributions, or any other amounts due to us, including reasonable accounting and legal fees.

Failure to Submit Required Report Fee <u>Local Advertising Requirement</u>	\$100 per month. This shall continue to accrue monthly until <u>A total of \$15,000 for the first 12 months of Lab Operations; Beginning in the 13th month of Lab Operations, the greater of 3% of your Gross Sales per twelve month period, or \$9,000 per 12 months thereafter)</u>	As incurred <u>Monthly</u>	Payable if you fail to submit any required Gross Sales report or financial statement when due. The fee shall accrue monthly until you submit the required report. Gross Sales Report is due on the 10 th of each month. Should the 10 th be a weekend, then submissions should be done on the following business day. <u>You are required to spend this amount on local marketing, promotion and advertising of your Business. If you fail to meet the Local Advertising Requirement, then you must pay us the difference between what you spent during an applicable month and the Local Advertising Requirement, which we will contribute to the National Marketing Fund.</u>
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<p>Operational and/or Financial Review <u>Advertising Cooperative/ Multi-Area Marketing</u></p>	<p>Costs and expenses connected with inspection, including travel expenses and reasonable accounting and attorney's fees <u>1% to 3% of Gross Revenue, if implemented in your market area</u></p>	<p>As incurred <u>Payable monthly by ACH or check due by the 21st day of the month for the previous calendar month.</u></p>	<p>If an audit or other inspection is necessary due to your failure to furnish reports, Business Records, or other information as required, or to furnish these items on a timely basis or if an audit discloses an underpayment of 3% or more of the amount due for any period covered by such audit, or if an audit discloses that you have conducted business in another Franchisee's territory without that Franchisee's consent, or if an audit discloses that you have conducted business in an unowned territory without our consent. <u>At this time, there are no Advertising Cooperatives in effect. We reserve the right to implement cooperatives and/or multi-area marketing in other markets in the future. We will have no control on any fees imposed by such cooperatives. If you are not part of a cooperative/multi-area marketing, you are expected to advertise locally in your Territory (see Local Advertising Requirement).</u></p>
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<p>Non-Compliance Fee <u>Initial Training for Additional Persons</u></p>	<p>Up to \$250 <u>\$200 per person per day</u></p>	<p>As incurred</p>	<p>Payable if you are in default beyond any applicable cure period. <u>These fees are only incurred if more than three people attend the Initial Training, although we may elect to waive this fee.</u></p>
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<p>Renewal Fee</p>	<p>\$5,000</p>	<p>At the time you sign a successor franchise agreement</p>	<p>Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.</p>
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<p>Relocation Fee</p>	<p>Up to \$2,500</p>	<p>At the time of relocation</p>	<p>If we allow you to relocate your ARCpoint Labs Business, you may be required to pay us a relocation fee, which we shall charge in our sole discretion in consideration of factors such as the reasons the relocation is necessary and your compliance with the Franchise Agreement and the System.</p>
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<p>General Guidance Fee <u>Additional Assistance / Onsite Training at Your Location</u></p>	<p>Reasonable costs <u>\$500 per day (two day minimum) plus travel and living expenses (Note 3)</u></p>	<p>As incurred</p>	<p>We retain the right to charge a fee to offer general guidance if we determine that you are using our guidance services too frequently or in an unintended manner. <u>Additional charges only incurred for at-location assistance.</u></p>
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<u>Additional Certified Professional Collector Training Fee</u>	Then current fees \$225 per person attending training, plus costs and our travel expenses we incur (if any)	As incurred Time of Training	Should Franchisee request If you require additional <u>Certified Professional Collector Training</u> or <u>onsite assistance</u> , and Franchisor deems it necessary <u>training for more than four people</u> .
<u>Cancellation Fee DOT Breath Alcohol Technician Training Fee</u>	Actual Cost \$225 per person attending such training, plus our <u>travel expenses</u> (if any)	As Incurred Time of Training	If you unilaterally cancel or re-schedule your training visit, you will be billed any direct costs and expenses incurred by us at the point of your cancellation . If you require additional <u>DOT Blood Alcohol Technician Training</u> , or <u>training for more than four people</u> .
<u>Franchise Meetings Conference or Refresher Training Fees</u>	Currently \$450 \$350 per person-	6 months before conference date <u>As incurred</u>	Payable to help defray costs of semi-annual meetings, conventions, or seminars, regardless of whether before you attend. This will be charged as part of your monthly invoice 6 months before the conference date. You are also <u>responsible for all travel and living expenses for you and your employees who attend</u> .
<u>Transfer Fee</u>	\$0 - \$7,500 plus any <u>broker / commission fee owed to a broker or consultant (Note 3)</u>	<u>Prior to acceptance of transfer</u>	<u>Payable before you transfer your Franchise Agreement.</u>
<u>Audit</u>	<u>Cost of audit plus 1.5% interest per month on understatement</u>	<u>30 days after billing</u>	<u>We pay all audit costs unless the audit shows an understatement of at least 2% of Gross Revenue for any month.</u>
<u>Late Payment/ Interest</u>	<u>\$100 or 5% per occurrence plus 1.5% interest per month (or, if lower, the maximum interest rate allowed by applicable law)</u>	<u>30 days after due date</u>	<u>Payable on late payments.</u>
<u>Insufficient Funds Fee</u>	<u>\$100 or 5% of the amount due, whichever is greater</u>	<u>Upon demand</u>	<u>Payable if any attempted payment you make to us is returned for insufficient funds.</u>

<p>Employee Training <u>Costs of Collection</u></p>	<p>Then current fees plus costs and expenses we incur <u>As incurred</u></p>	<p>As incurred <u>Upon demand</u></p>	<p>All employees<u>You must be trained by our certified trainers, and if we provide</u>pay<u> any such training, you shall pay our then current fees for such training, as well as any costs and damages, expenses through appeal, collection costs, and reasonable attorneys' fees that we incur in connection with the training.</u>your failure to make any required payments</p>
<p><u>Legal Costs</u></p>	<p><u>As incurred</u></p>	<p><u>Upon demand</u></p>	<p><u>In a legal proceeding between you and us, the prevailing party is entitled to recover from the losing party reasonable attorneys' fees, court costs and expenses.</u></p>
<p>Local Advertising Requirement Compliance Fee <u>Insurance</u></p>	<p>The difference between the amount you spent on local advertising each year and your required local advertising expenditure (\$6,000 in first 3 months after commencing Lab Operations; \$9,000 in next 9 months, for a total of \$15,000 for the first 12 months; the greater of 3% of your Gross Sales per twelve month period, or \$9,000 per 12 months thereafter) <u>Reimbursement of insurance premiums, plus a 20% administrative fee</u></p>	<p>Payable on invoice <u>Upon demand</u></p>	<p>If you fail to meet your required local advertising requirement, we reserve the right to request payment to us for the difference between the amount you spent and the required advertising expenditure, which will be contributed to the Brand Fund.<u>Payable if you fail to obtain or provide proof of required insurance and we obtain such insurance on your behalf.</u></p>

Unauthorized-Advertising-Fee <u>Indemnification</u>	\$500-per-occurrence <u>As incurred</u>	As incurred <u>Upon demand</u>	This fee is payable into the Brand Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement. <u>You must indemnify and defend us from liabilities arising from your operation of the business or use of our Marks and System in violation of the Franchise Agreement. Liabilities include without limitation accountants, attorney, and expert witness fees, investigation costs, courts costs, and other litigation expenses.</u>
Supplier and Product-Evaluation-Fee <u>Renewal Fee</u>	Costs of evaluation (estimated to be approximately \$500-to-\$1,000) <u>\$10,000</u>	As incurred <u>30 days prior to renewal</u>	Payable if we evaluate a new product, service, or proposed supplier-nominated by you to be added as a <u>renew your franchise for an approved vendor</u> <u>additional 10-year term.</u>
Customer Issue-Resolution <u>Computer and Communications Equipment Upgrades and Maintenance</u>	Reasonable costs we incur for responding to a customer-complaint, which varies but will typically be between \$20 and \$100 <u>No more than \$1,000 per occurrence</u>	On invoice <u>As incurred or as agreed</u>	Payable if a customer of your ARCpoint Labs Business contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue. <u>You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for software, when we require you to do so.</u>
Onsite Clinical Audit	Cost of audit and inspection (currently <u>(\$600 per day, plus costs and expenses)</u>)	As incurred	Payable if conditions necessitate a review to be performed, to include reasonable suspicion that violations of your Franchise Agreement(s) or any federal or state law and/or regulations are occurring or have occurred.
Insurance <u>SOCI – Social Media and Local Directory Listings Management</u>	You must reimburse our costs plus a 20% administrative fee <u>Initial annual fee is \$300 (currently), although the vendor may increase this fee in the future</u>	On-demand <u>Annually by the end of May</u>	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained, plus 20% of the premium as an administrative cost for obtaining the insurance. <u>Required fee for SEO directory listings management. We pay this fee to the vendor.</u>

Management Fee	\$250 per day, plus costs and expenses	As incurred	Payable if we manage your ARCpoint Labs Business because you are in default of the Franchise Agreement or following your death or incapacity.
Fees in the event of termination due to default of Franchisee <u>Liquidated Damages</u>	Damages, costs, expenses, reasonable attorneys' fees, unpaid Royalties, Liquidated Damages <u>Average monthly Royalty Fee owed over the 12 month period prior to termination multiplied by the lesser of 36 months or the number of months remaining in the term of the Franchise Agreement</u>	As incurred <u>Upon demand</u>	In the event of termination for any default of you, such sums shall include, but shall not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees with respect to litigation, appellate or bankruptcy proceedings, unpaid Royalties, Liquidated Damages and any other amounts due to us or our affiliates. Liquidated Damages are an amount equal to the average Royalty owed by you (even if not paid) per month over the 12 month period preceding the date of termination (or if the ARCpoint Labs Business has not been operating throughout such 12 month period, then the average Royalty per month for the period of time in which the ARCpoint Labs Business was operating), multiplied by the lesser of (i) 24, or (ii) the number of months remaining in the term of the Franchise Agreement. <u>Payable if we terminate the Franchise Agreement due to your default.</u>
Injunctive or Other Relief Fee	Costs and expenses, including reasonable attorneys' fees	As incurred	All costs and expenses, including reasonable attorneys' fees, incurred by us in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

Transfer Fee⁽³⁾	\$500 to \$20,000	For transfers to third parties, \$1,000 of the Transfer Fee shall be due as a non-refundable deposit at the time of transfer application submittal, and the remaining balance of the fee at the time of approved transfer. For all other transfers, the transfer fee shall be due at the time of the approved transfer.	Payable only in connection with the transfer of your ARCpoint Labs Business, a transfer of ownership of your legal entity, or the Franchise Agreement.
Broker or Other Placement Fees	Reimbursement of the actual costs of the brokerage commissions, finder's fees, or similar charges	As incurred	Payable only in connection with the transfer to a purchaser that was referred through a broker.
Indemnification	Varies under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your ARCpoint Labs Business.
Cost of Enforcement	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we incur any expenses in enforcing our rights against you under the Franchise Agreement.

NOTES:

~~1. — Fees. Unless otherwise noted, all fees paid to us are uniform and not refundable. Unless otherwise noted, all fees are payable to and imposed and collected by us. You must pay fees and other amounts due to us via electronic funds transfer (“EFT”) or other similar means. You must complete the EFT authorization in the form attached to your Franchise Agreement. We can require an alternative payment method or payment frequency for any fees or amounts owed to us under the Franchise Agreement. If you purchase more than one franchise or operate multiple ARCpoint Labs Businesses, the fees indicated in the chart above are the fees charged and/or incurred for each ARCpoint Labs Business. Certain fees that we have indicated may increase over the term of the Franchise Agreement.~~

~~(1) Unless otherwise noted, all of the fees or charges described in this Item derive from the Franchise Agreement and are non-refundable, payable to us, and generally are uniformly imposed on all franchisees receiving this offering. However, in certain unique circumstances, we may reduce or waive a~~

fee for a particular franchisee. We require electronic withdrawal of monthly fees and payments from your bank account.

~~(2.) “Gross Sales. The term “Gross Sales Revenue” means the total selling price of all products and receipts derived from services performed or products sold at, from, or through your ARCpoint Labs by the Business, wherever located and directly or indirectly related to the Business, whether through Lab Operations or Onsite/Online Operations, whether or not sold or performed at or from your Onsite/Online Operations or your Lab Operations, including the full redemption value of any gift certificate or coupon sold for use at the ARCpoint Labs Business (fees retained the Premises, whether the receipts are evidenced by or paid to third party sellers of such cash, credit, checks, gift certificates or coupons are not excluded from this calculation), and all income of every other kind and nature related to the ARCpoint Labs Business operation, whether for cash or credit, coupons, services, property, or other means of exchange and regardless of collection in the case of credit. If you operate more than one ARCpoint Labs Business, the amount of Gross Sales shall be determined on an independent basis for each ARCpoint Labs Business in determining whether a Minimum Royalty is due. Gross Revenue excludes sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that you realize no revenue, and employee receipt of services or products, if free, or any portion not paid for by an employee.~~

~~3. Transfer Fee. The transfer fee amount is based on the type of transfer requested and will each be subject to the conditions under the applicable Franchise Agreement. For a transfer that does not result in a change in ownership, such as to a new corporate structure, the transfer fee is \$500. For a transfer of an ARCpoint Labs Business to a third party that is an existing ARCpoint Labs franchisee, the transfer fee is \$5,000. For a transfer of an ARCpoint Labs Business to a third party that is not an existing ARCpoint Labs franchisee, the transfer fee is \$20,000.~~

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

(4) You do not have to pay a Transfer Fee if you transfer your Business to a corporation or limited liability company in which your owners are the majority owners, or if you transfer your Business to an adult child, parent, sibling, or spouse of an owner. You will pay a reduced Transfer Fee of \$3,750 if you transfer your interest in the Franchise Agreement to another approved franchisee of ours. If the transfer includes a prospective franchisee introduced by a broker or a consultant, the Transfer Fee you pay will include any commission and/or other payment owed to the broker or consultant.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT:-
SINGLE ARCPOINT LABS BUSINESS**

Expenditure <u>(1)</u>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee (+2)	\$54,500	\$54,500	Lump sum	Upon Signing Franchise Agreement	Us

Expenditure <u>(1)</u>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Training Fee (2)	\$127,500	\$187,500	Lump sum	Upon Signing Franchise Agreement	Us
Business Development Training Fee(3)	\$5,000	\$5,000	Lump Sum	Upon Signing Franchise Agreement	Us
Training <u>Travel and Living Expenses (4per person) (3)</u>	\$01,000	\$5,425	As incurred	As Incurred <u>During training</u>	Third Parties <u>Airlines, Hotels, Restaurants, etc.</u>
Insurance (5) <u>Rent or Real Estate and Improvements (4)</u>	\$4,500 <u>20,000</u>	\$24,495 <u>8,000</u>	As agreed	As Incurred	Third Parties <u>Lessor, Contractors</u>
Professional Fees <u>Office Furniture, Fixtures & Equipment (5)</u>	\$4,500	\$9 <u>8,000</u>	As Incurred <u>agreed</u>	As Incurred	Third Parties
<u>Décor Items (6)</u>	<u>\$2,000</u>	<u>\$6,000</u>	<u>As agreed</u>	<u>Before Beginning Lab Operations</u>	<u>Vendors</u>
Computer Hardware & Equipment , Software, and Telephone System (7)	\$2,550	\$9,800 <u>5,500</u>	As agreed	As Incurred	Third Parties <u>Vendor s</u>
Site Selection Assistance (6)	\$0	\$2,500	As Incurred	Upon Receipt of Invoice	Third Parties
Leasehold Improvements (7) <u>Testing Equipment (8)</u>	\$20,000 <u>1,500</u>	\$80 <u>4,000</u>	As agreed	As Incurred	Third Parties <u>Approv ed Suppliers</u>
Testing Equipment (8) <u>Insurance (9)</u>	\$3,600 <u>4,500</u>	\$10,000 <u>2,495</u>	As agreed	As Incurred	Us or Third Parties <u>Insuran ce Company/ Agent</u>
<u>Signage (10)</u>	\$2,000	\$7,000	As agreed	Before Beginning Lab Operations	Third Parties <u>Vendor s</u>
Furniture, Fixtures & Equipment (9) <u>Legal & Accounting Fees (11)</u>	\$4,500	\$8 <u>9,000</u>	As Agreed <u>incu rred</u>	As Incurred	Third Parties <u>Vendor s</u>
Office Equipment & Supplies	\$500	\$8,000	As Agreed	Before Beginning Lab Operations	Third Parties
Initial Inventory (10) <u>(12)</u>	\$10,750	\$22,500	As agreed	Before Opening	Third Parties <u>Approv ed Suppliers</u>
Business Licenses & Permits	\$100	\$2,000	As incurred	Before Beginning Lab Operations	Third Parties <u>Govern ment Agencies</u>

Expenditure <u>(1)</u>	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Dues, Subscriptions, and Memberships (4 <u>13</u>)	\$300	\$3 <u>2,500</u>	As incurred	As Incurred	Third-Parties <u>Vendor</u> s
Additional Funds – 6 Months (12 <u>14</u>)	\$54,000	\$72,000	As agreed	As Incurred	Third-Parties <u>Landlo</u> rd, <u>Us,</u> <u>Employees,</u> <u>Vendors</u>
TOTAL ESTIMATED-INITIAL-INVESTMENT (13 <u>15</u>)	\$175,300 <u>\$165,700</u>	\$342,220 <u>\$310,420</u>			

NOTES:

(1) Estimated Initial Investment. The above are estimates of a franchisee’s total initial investment in one ARCpoint Lab Business, including both Onsite/Online Operations and Lab Operations. ~~The above chart does not include estimates for conducting moderate and high complexity testing at your ARCpoint Labs Business, which is an optional additional service you may choose to add to your ARCpoint Labs Business with our consent. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid.~~ Fees paid to vendors or other suppliers may or may not be refundable, depending on their policies or your arrangements with them. ~~In some states and locations, you may need to hire medical personnel to operate your ARCpoint Labs Business. Costs associated with such medical personnel are not included in these estimates. You should consult with a legal advisor about whether these requirements apply to your ARCpoint Labs Business.~~ In certain circumstances, you may be required to travel to ~~customer’s~~customer locations in a vehicle that contains removable signage. We do not require any certain type of vehicle for this use. If you do not own a vehicle, you may be required to buy, lease, or rent one. These costs are not included in the above table.

~~1.(2) Initial Franchise Fee. See Item 5 for a description of the Initial Franchise Fee.~~

~~2. — and Initial Training Fee. See Item 5 for a description of Your Initial Franchise Fee and Initial Training Fee will be due upon signing the Franchise Agreement and are fully earned upon payment. As noted in Item 5, we reduce the Initial Franchise Fee.~~

~~3. — Business Development Training Fee. The Business Development for franchisees developing their ARCpoint Labs businesses under a MFA. We will not refund the Initial Franchise Fee, the Initial Training Fee covers the cost of providing sales training for all Required Trainees. This fee is non-refundable and is not uniformly imposed., or any other fees under any circumstances.~~

~~4.(3) Training Travel and Living Expenses. (per person). You will be responsible for transportation, food, and lodging expenses while attending our initial training program in Greenville, South Carolina Atlanta, Georgia. The total cost will vary depending on the number of people attending, how far you travel, and the type of accommodations you choose. Under limited circumstances, we may waive this fee.~~

~~5.(4) Rent or Real Estate and Improvements. If you do not own adequate space for an approved site, you~~

must lease the space for your Business. Generally, this will include first and last months' rent, plus a security deposit. Typical locations for ARCpoint Labs businesses are retail strip centers, shopping centers with large anchor stores or on streets with heavy traffic traveling to malls and office buildings. The typical size of a Business is 550 to 1,500 square feet. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated by all involved parties; however, we require you to include certain lease provisions.

- (5) Office Furniture, Fixtures & Equipment. This includes a fax machine, copier, calculator, office chair, trash can, file cabinet, microwave, safe, cash box, time clock, two refrigerators, paper shredder, two storage carts, etc.
- (6) Décor Items. Decorations may include the designated "look" and "feel" of ARCpoint Labs businesses including a desk, dividers, branded artwork and promotional signage, clock, etc.
- (7) Computer Equipment, Software, and Telephone System. While we do not require any specific vendors for computer, Internet connectivity, and communications equipment, we require that you meet certain minimum standards established periodically in the Manual. You will be required to purchase a PC or Mac as specified in the Manual for use in the operation of your Business. This will include a monitor, keyboard, mouse and printer. You will be required to purchase software as described in the Manual. If you plan to participate in serving clients who use FormFox, or eScreen an iPad with specifications for e-signature and a bar code scanner will be required. This estimate also includes a two-line phone system as well as two telephones with voicemail.
- (8) Testing Equipment. You will be required to purchase various testing equipment, including, without limitation, a Breath Alcohol Testing Instrument. All testing equipment must be purchased from an approved supplier.
- (9) Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require in your Franchise Agreement, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of an ARCpoint Labs business, your rates may be significantly higher than those estimated above. The estimate contemplates insurance costs for six months.

~~6. — Site Selection Assistance. We make available to you a real estate site selection vendor, at no cost to you. We do not require that you use this particular service through the vendor unless you do not have an accepted location within 90 days of entering into the Franchise Agreement with us. Should you choose to elect a local broker within your market, all additional associated fees will be at your expense. You then must submit to us a written request for an extension. We also recommend a legal review of the proposed lease, which may or may not be covered by the attorneys' fees estimate in the above chart. A Site Selection Guide will be provided to you, which covers all details related to the proper location of your ARCpoint Labs Business, as well as buildout assistance.~~

~~7. — Leasehold Improvements. These amounts are our best estimate of the range of costs of leasehold improvements based on our experience and our affiliates' experience in constructing ARCpoint Labs Businesses, and will likely vary substantially based on local conditions, including the availability and pricing of labor and materials. They do not include capitalized costs of rent or other occupancy costs over either the life of the lease or the life of your investment. This estimate contemplates that your landlord will contribute all or part of your tenant improvement expenses. If your landlord does not contribute to your improvements, the cost will be higher than the range provided in the table above.~~

~~8. — Testing Equipment. You will be required to purchase various testing equipment, including, without limitation, a Breath Alcohol Testing Instrument. All testing equipment must be purchased from our Approved Supplier. However, we may be an Approved Supplier for some of the testing equipment, in which~~

~~case you will be eligible to purchase such equipment through us at the discounted price we have negotiated. If you purchase it from another Approved Supplier directly the cost could be higher.~~

~~9. Furniture & Fixtures. You will be required to purchase (or lease) furniture for the office area and reception area, and other fixtures and equipment necessary for providing the services offered by your ARCpoint Labs Business. Although some of these items may be leased, the range shown represents the actual purchase price. The cost of the furniture, fixtures, and equipment will vary according to local market conditions, the size and location of the facility, suppliers, and other related factors.~~

~~10. (10) Signage. Signage will vary from location to location based upon local ordinances and standards set by your landlord and the type of unit you operate. The costs include, but are not limited to, exterior signs. All signs must be pre-approved by us prior to your purchasing them for the lab.~~

~~(11) Legal & Accounting Fees. These fees will be paid by you in order to hire an attorney and an accountant to assist with the formation of your legal entity, to review this disclosure document and to review your proposed lease agreement.~~

~~(12) Initial Inventory. You must purchase various initial inventory, including, without limitation, certain test kits and personal protective equipment. All initial inventory must be purchased from our approved suppliers. ~~We may be an Approved Supplier for some of the initial inventory, in which case you will be eligible to purchase such inventory through us at the discounted price we have negotiated. If you purchase it from another Approved Supplier directly the cost could be higher.~~~~

~~11.(13) Dues and Subscriptions. You, your Designated Manager, or, if you are an entity, your Managing Owner, must become members of the National Drug & Alcohol Screening Association (“NDASA”) for at least the first year you operate your ARCpoint Labs Business. We also strongly recommend joining your local Chamber of Commerce, the Society for Human Resource Management, and/or other local business networking organizations. These expenses are typically not refundable.~~

~~12.(14) Additional Funds. This ~~number represents an~~ estimate of your additional initial start-up expenses for the first ~~6~~six months of your Lab Operations. These expenses include rent and lease deposits, payroll costs, local advertising, fees paid to us such as Royalty Fees, Technology Fees, and National Advertising Fund contributions, and other operating costs but not any draw or salary for you. ~~We estimate these expenses to be \$9,000 to \$12,000 per month once you begin your Lab Operations. We estimate that most, if not all, of these expenses will not be incurred until after you begin your Lab Operations. You may at that time have an income stream to help offset some of these costs for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.~~~~

~~13. Figures May Vary. This is an estimate of your initial startup expenses for one ARCpoint Labs Business. We have (15) Totals. We relied on the more than 18 years of experience of our officers, our affiliates, and our franchisees in the laboratory services business to arrive at compile these estimates. You should review these figures carefully with a business advisor before deciding making any decision to purchase the franchise. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to acquire an ARCpoint Labs Business establish and operate your Business, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.~~

YOUR ESTIMATED INITIAL INVESTMENT

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~~MULTIPLE ARCPOINT LABS BUSINESSES UNDER A MULTI-FRANCHISE ADDENDUM~~

FOR
TWO TO FIVE ARCPOINT LABS BUSINESSES

Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Total Estimated Initial Investment for one ARCpoint Labs business (See Item 5 <u>Table</u> above.)	\$175,300 <u>\$5,700</u>	\$342,220 <u>\$0,420</u>			
Initial Franchise Fee for 2-5 ARCpoint Labs businesses ⁽¹⁾	\$49,500	\$173,000	Lump Sum	On Signing Franchise Agreement	Us
TOTAL ESTIMATED INITIAL INVESTMENT for 2-5 ARCpoint Labs Businesses (Excluding any costs associated with developing individual ARCpoint Labs Businesses for units 2-5) ⁽²⁾ <u>TOTAL</u>	\$224,800 <u>\$5,200</u>	\$515,220 <u>\$3,420</u>	<u>(Excludes any costs associated with developing individual ARCpoint Labs businesses for units 2-5)</u> ⁽²⁾		

NOTES:

1. ~~See Item 5 for a description of the Initial Franchise Fee. Upon signing the~~ (1) When you sign MFA, you will be required to sign Franchise Agreements for the number of ARCpoint Labs businesses that you commit to develop and to pay the Initial Franchise Fee for each committed ARCpoint ~~Lab Business in a lump sum.~~

~~Labs business.~~ Labs business. This estimate assumes that you will commit to develop between two and five ARCpoint Labs businesses. For your first Franchise Agreement, the initial franchise fee is \$54,500, and is included in the initial investment for your first ARCpoint Labs business. ~~For your second Franchise Agreement, the initial franchise fee is \$49,500. For your third Franchise Agreement, the initial franchise fee is \$44,500. For your fourth and subsequent Franchise Agreement, the initial franchise fee is \$39,500. If you sign two or more Franchise Agreements at the same time as an MFA to develop a set number of ARCpoint Labs Businesses, you will only pay one Initial Training Fee. If you commit to develop more ARCpoint Labs Businesses, the total Initial Franchise Fee will increase by \$39,500 per ARCpoint Labs Business. Of the Initial Franchise Fee, 75% is attributable to the services, benefits, and rights you receive in connection with your Onsite/Online Operations, and 25% is attributable to the services, benefits, and rights you receive in connection with Lab Operations.~~

2. ~~We do not provide financing for initial fees. For each ARCpoint Labs Business that you develop pursuant to a MFA, you will execute a Franchise Agreement and incur the initial investment expenses for the development of a single ARCpoint Labs Business described in the previous table in this Item 7 (excluding the Initial Franchise Fee, which is already covered in Note 1, the Initial Training Fee and the Business Development Training Fee, which are only due for your first ARCpoint Labs Business), which are \$103,300 to \$284,220.~~

(2) For your second Franchise Agreement, the initial franchise fee is \$49,500. For your third Franchise Agreement, the initial franchise fee is \$44,500. For your fourth and fifth Franchise Agreement, the

initial franchise fee is \$39,500.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES ~~AND PRODUCTS~~

The Goods or Services Required to be Purchased or Leased

~~You must purchase certain goods and services only from the suppliers we designate or approve (“Approved Suppliers”). Currently, those goods and services include the following:~~

Advertising and Marketing

~~You must either use pre-approved advertising templates we provide or purchase advertising and marketing services and/or products from an Approved Supplier. You must purchase business cards, marketing material, stationery, online marketing (website management), pay per click (“PPC”), Ad campaigns, Google Ad Words campaign, social media management, organic search engine optimization, sales promotional start-up package, sales leads, target marketing list, grand opening package, lab start-up package, public relation marketing, and ongoing Search Engine Optimization (“SEO”) solely from our Approved Suppliers.~~

Site Selection and Buildout

~~We must approve the location of your ARCpoint Labs Business and you must build-out the premises pursuant to our specifications. We make available to you a real estate site selection vendor, at no cost to you. We do not require that you use this particular service through the vendor unless you do not have an accepted location within 90 days of entering into the Franchise Agreement with us.~~

Computer Hardware and Software

~~You must purchase, lease, or use computer software and hardware, as further described in Item 11, pursuant to our specifications and from our designated Approved Suppliers.~~

General

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

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

Required Purchases

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

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

(1) you may use only marketing and promotional materials that meet our standards. You also must use our approved advertising agency as well as our approved location listings management service, SOCI;

(2) you are required to utilize the services from our required or preferred lab testing partners to ensure the quality and efficacy of the lab testing services and to get volume discounted pricing for all Businesses. Currently we use qualified national or regional laboratories to perform the analysis of blood, urine, saliva, and buccal swab samples for tests for your customers. Unapproved laboratories or injectables suppliers are not permitted without our prior approval as reflected in Approval of Suppliers, below;

(3) you are required to purchase your outdoor store sign from our approved vendor as part of our agreement to get volume discounted pricing for all Businesses. We will consider your use of another sign vendor if you find a more competitive price while still matching the quality of the product and service;

(4) you are required to use our approved vendor for all background checks as part of our agreement to get volume discounted pricing for all Businesses; and

(5) you are required to purchase our technology platforms for your Business, including computer hardware and software. As of the date of this disclosure document, you are required to purchase a computer system to facilitate day-to-day lab operations. The basic requirements of this system include e-mail access, accounting (which includes point of sale capability), cloud-based customer results portal, record and file keeping capabilities as well as word processing for letters and other documents. You also are required to use our LEO point of sale, scheduling and results portal, WooCommerce, Constant Contact, Pricing Portal, and Quickbooks Online. We may in the future establish different sales reporting systems and CRM systems as we consider appropriate for the accurate and expeditious reporting of Gross Revenue and other financial information. In such event, you must fully cooperate with us in implementing any such system at each Business and at your expense equip your Business with such sales recording devices as we may require.

NDASA Networking Organizations

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

Furniture, Fixtures, Equipment, Supplies and Software

~~You must purchase furniture, fixtures, equipment, supplies, and software, such as breath alcohol machines, alcohol monitoring equipment, screening kits, drug testing software, clinical testing software, scheduling software, and other management software tools, and testing supplies from us or our Approved Suppliers. Prior to opening and upon request, you must submit a video walk through of your location to ensure compliance with System Standards.~~

Insurance

~~You must purchase insurance in the amounts and types of insurance coverage we require. Currently, we require you to purchase seven main types of insurance. They include: (i) Special Cause of Loss property insurance on all assets used in the operation of the ARCpoint Labs Business in the amount necessary to replace the ARCpoint Labs Business; (ii) Workers' compensation insurance in the amount necessary to comply with your state's laws; (iii) Employer liability coverage of at least \$100,000 (the cost of this insurance may be higher if required by your state's laws); (iv) Commercial general liability insurance in the amount of at least \$1,000,000 per occurrence and an annual policy aggregate of \$2,000,000 (the cost of this insurance may be higher if required by your state's laws); (v) Automobile liability insurance for owned or hired vehicles with a combined single limit of at least \$1,000,000 (the cost of this insurance may be higher if required by your state's laws); (vi) Errors and omissions insurance in the amount of at least \$1,000,000 per occurrence (the cost of this insurance may be higher if required by your state's laws); and (vii) Master cyber liability insurance in the amount of at least \$1,000,000 per occurrence.~~

~~The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your ARCpoint Labs Business's operation or activities of your personnel in the course of their employment. You must also require physicians and/or other health care providers, that provide services to your ARCpoint Labs Business, and who are required by law to carry medical malpractice insurance, to provide you with written documentation of their current medical malpractice insurance coverage. The insurance company must be authorized to do business in the state where your ARCpoint Labs Business is located and be rated "A+" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies, except for worker's compensation, must name us as an additional insured or loss payee and shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns.~~

Medical Review Officer Services

~~You must hire a doctor to review the services provided pursuant to your clinical program only from our Approved Suppliers. "Review" means assessing all results before they are returned to the patient/client and electronically or physically signing each result, at an absolute minimum.~~

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

A. Workers' Compensation and Employer's Liability- Statutory Workers' Compensation and Employer's Liability of \$1,000,000/\$1,000,000/\$1,000,000;

B. General Liability Occurrence Based - \$1,000,000 per occurrence, \$3,000,000 aggregate (per location) for bodily injury and property damage, including broad from contractual liability. Coverage must insure you, and name us as an additional insured against all claims, suits, obligations, liabilities, and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or

property damage relating to the use or condition of the Business. The policy must also stipulate that we shall receive a statutory notice of cancellation;

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

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

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

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

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

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

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

Telemedicine/Augmented Medicine

You may purchase virtual medical services using diagnostic tools and procedures performed by a telepresenter, under the direct supervision of a distant provider (~~“Telemedicine/Augmented Medicine Services”~~), including DOT physicals, other clearance physicals, and virtual doctors' visits of other types from our designated approved supplier.

Third Party Administration of Program Management

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

Clinical Authority and Oversight Services

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

- ~~• Clinical ordering and review by appropriately qualified clinical professionals, with Summary Report~~
- ~~• Skilled calls and referrals regarding infectious disease and panic values, where required~~
- Account setup and maintenance with our approved laboratory partners and clinical vendors
- Account setup and maintenance of SharePoint and my.arcpointlabs/MAPL ~~and Rymedi~~ (or other emergent technology) (collectively, “Clinical Authority and Oversight Services”). ~~AFG Services is the only Approved Supplier for these services.~~

Third-Party Insurance Billing Services

~~Some services you will provide may be eligible for coverage by a customer’s third party insurance provider. You must use AFG Services as the designated provider for services involving the billing of any such third party insurance provider. AFG Services is the only Approved Supplier for these services.~~

~~Whether We or Our Affiliates are Approved Suppliers~~

~~We are an Approved Supplier (but not the only Approved Supplier) of breath alcohol machines and advertising material.~~

~~Our affiliate, AFG Services [ARCpoint Group](#), is an approved supplier (but not the only approved supplier) of Clinical Authority and Oversight Services, administrative, customer service, software as a service, data management, [and](#) general purchasing. AFG Services is the only Approved Supplier for third-party insurance billing services.~~

~~Officer Interest in Suppliers~~

~~Our Founder, Felix Miranda, has an ownership interest in ARCpoint Group. ARCpoint Group is our sole owner. ARCpoint Group is also the sole owner of AFG Services, which is a supplier [services](#). [Prior](#) to ARCpoint Labs Businesses.~~

~~Our Chief Strategic Officer, John Constantine, has an ownership interest in ARCpoint Group. ARCpoint Group is our sole owner. ARCpoint Group is also the sole owner of AFG Services, which is a supplier to ARCpoint Labs Businesses.~~

~~Approval of New Suppliers~~

~~We may update the list of Approved Suppliers in our Manual, which is further described in Item 11. If you desire to have a non-approved supplier of a product or service designated as an Approved Supplier, you must submit samples of the supplier’s products or services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the System. We reserve the right to charge a fee to evaluate the proposed supplier of approximately \$500 to [\\$January](#) 1,000 per evaluation (See Item 6). We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we must respond to a request to approve a proposed supplier within 90~~

days, we generally respond within 7 days. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of revocation, you must stop selling any disapproved products and services, and stop purchasing from any disapproved supplier.

Modification of Specifications and System Standards

We issue and modify specifications and System Standards to franchisees through the Manual or other written or electronic communications. You are not allowed to sell any product or offer any service unless we pre-approve the supplier, the product, and/or service. This includes all products and all services related to drug testing, clinical testing, wellness programs and regulatory management and any other product or service that a reasonable person would assume is associated or related to the drug testing, clinical testing, wellness programs, or regulatory management. You must obtain our written approval if you wish to use products from an unapproved supplier.

Franchisor Revenue from Required Purchases or Leases

We and our affiliates may derive revenue or other material consideration from required purchases or leases by Franchisees.

During our 2023 fiscal year, we derived \$551,645. 2025, AFG Services, LLC was an approved supplier of these services. During the year ended December 31, 2024 our affiliate, AFG Services, LLC, derived \$470,877 in revenue from the sale or lease of products or services to franchisees. This revenue represents 14.2% of our total revenue of \$3,885,652.

During the year ended December 31, 2023 our affiliate AFG Services derived \$1,994,574 in revenue from the sale or lease of products or services to our franchisees, which included customer service, administrative, clinical, software and support services, to the franchisees and their accounts. This information was derived from AFG Services' Services, LLC's unaudited financial statements.

Franchisee's Estimated Proportion of Required Purchases and Leases

We estimate that about ~~18~~10% to ~~23~~15% of your expenditures for leases and purchases in establishing your ARCpoint Labs business will be for goods and services that must be purchased ~~either from us, our affiliate, or~~ an approved supplier, or in accordance with our standards and specifications. We estimate that ~~25~~10% to ~~45~~15% of your expenditures on an ongoing basis will be for goods and services that must be purchased from ~~either us, one of our affiliates,~~ an approved supplier, or in accordance with our standards and specifications.

Supplier Payments or other Benefits to Franchisor

~~One of our Approved Suppliers for breath alcohol machines and related supplies pays us a rebate of 7.5% -17% of all franchisee purchases. Two of our preferred reference labs provide a rebate of 1% to 5% for all franchisee purchases.~~

~~Our affiliate and Approved Supplier, AFG Services, operates the ARCpoint Storefront (an e-commerce website) where franchisees purchase products and/or services from AFG Services. AFG Services will mark up some of these products and/or services that are provided by AFG Services' vendors through the ARCpoint Storefront.~~

Purchasing or Distribution Cooperatives

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

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

Approval of Suppliers

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

We do not currently have any purchasing or distribution cooperatives.

Purchase Arrangements

~~We or our affiliate AFG Services~~ as of the date of this disclosure document. We may negotiate purchase arrangements with other suppliers, including price terms, and distributors for the benefit of our franchisees.

Material Benefits for Use of Particular Suppliers

in the future and we may receive rebates or volume discounts from our purchase of products that we resell to you. We do not provide or withhold material benefits to you (such as renewal rights of the right to open additional Businesses) based on whether or not you purchase through the sources we designate or approve, however, purchases of unapproved products from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

**ITEM 9
FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2.2, 5.2, 5.3, and 5.4 <u>10.02 & 10.03</u>	Items 7, 8, 11 and 12
(b) Pre-opening purchases/leases	Section 5.5 <u>10.03 & 12.06</u>	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 5.1—5.5 <u>10</u>	Items 7, 8 and 11
(d) Initial and ongoing training	Section 8	Items 5, 6, 7 and 11
(e) Opening	Section 5.1 and 5.6 <u>10.05</u> ; Section 1 of MFA	Item 11
(f) Fees	Sections 3, 4, 8, 11, 12, 13, 15, 16, 17, and 20 <u>5, 9.05 & 9.06</u> ; Section 2 of MFA	Items 5, 6 and 7
(g) Compliance with standards and policies/operating manual	Sections 9 <u>2.02, 10, and 04, 12.02, 12.06, 12.07, 12.11, & 12.12</u>	Items 8 and 11
(h) Trademarks and proprietary information	Sections 6 and 7	Items 13 and 14
(i) Restrictions on products/services offered	Section 12.4 <u>05</u>	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Sections 8 and 12.7	Not Applicable
(k) Territorial development and sales quotas	Section 2.4; Section 2 of MFA and Attachment I	Item 12
(l) On-going product/service purchases	Sections 5.4 and 12.4 <u>06 & 12.07</u>	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Sections 4.2.4, 5.5, and Section <u>12.2</u> <u>12</u>	Items 8, 11
(n) Insurance	Section 13 <u>12.10</u>	Items 6, 7 and 8
(o) Advertising	Section 2.7 and 11.9	Items 5, 6, 7, 8 and 11
(p) Indemnification	Section 6.4, 13.1.7, and 20.2 Sections <u>12.15 & 17.02</u>	Item 6
(q) Owner's participation/management/staffing	Sections 7.4, 8, Section 12.3, and 12.8 <u>03</u>	Items 11 and 15
(r) Records and reports	Section 3.9, 3.10, 3.13, 3.14, and 3.15 <u>11</u>	Items 1, 6, 11 and 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
(s) Inspections and audits	Sections 3.16, 6.6, and 17.5 <u>11.04 & 12.04</u>	Items 6 and 11
(t) Transfer	Section 17.14	Item 6 and 17
(u) Renewal	Section 4.2–4.43	Item 17
(v) Post-termination obligations	Section 16.13	Item 17
(w) Non-competition covenants	Sections 7.03, 15.01 and 16.2 <u>Attachment V</u>	Items 15 and 17
(x) Dispute resolution	Section 22.16	Item 17

ITEM 10 FINANCING

~~Neither we nor any of our agents or affiliates offers~~ We do not offer direct or indirect financing ~~to you, or guarantees any.~~ We do not guarantee your note, lease, or obligation.

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

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

Franchisor's Pre-opening Assistance

Onsite/Online Operations

~~Before or simultaneously with opening the Onsite/Online Operations of~~ you begin your ARCpoint Labs Business, ~~we (or our designee(s))~~ ARCpoint Franchise Group, LLC will provide the following assistance and services to you: :

1. ~~We will Provide you with the initial training for the System. (See below in Item 11 and Section 8 of the Franchise Agreement for more details regarding training.)~~

2. ~~We will license to you the use of Marks, as described in greater detail below in Item 13. (See Section 6 of the Franchise Agreement.)~~

3. ~~We will provide you with a webpage, social media accounts, and email address that must be used for all your business communications and the Onsite/Online Operations of your ARCpoint Labs Business, which you will maintain at your own cost and expense. (See Sections 11.3 and 12.10 of the Franchise Agreement.)~~

4. ~~We will provide you with, via our intranet portal, access to a downloadable copy of the materials that comprise our Manual. The current table of contents of the document entitled Confidential Operations Manual is attached~~ our confidential Manual, which contains mandatory and suggested specifications, standards, operating procedures, required and preferred vendors and other rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.02 of the Franchise Agreement.) We have included a copy of the Table of Contents of our Manual as Exhibit F to

this Franchise Disclosure Document as ~~Exhibit D~~. As of the date of this Franchise Disclosure Document, ~~the Confidential Operations~~. The Manual contains 213 pages (See Section 9 of the Franchise Agreement) but is subject to change as sections are updated or revised.

~~5. We will help identify operating assets and other products and supplies that you must use to develop and operate the ARCpoint Labs Business; establish minimum standards and specifications that you must satisfy while operating the ARCpoint Labs Business; and identify the designated and Approved Suppliers from whom you may be required to purchase and/or lease items for your ARCpoint Labs Business. (See Section 12.1 of the Franchise Agreement.)~~

Lab Operations

~~Before or simultaneously with opening the Lab Operations of your ARCpoint Labs Business, we (or our designee(s)) will provide the following assistance and services to you:~~

~~1. We will provide you with our site selection criteria for your ARCpoint Labs Business and introduce you to our approved real estate site selection vendor. Your site must meet our criteria for demographic characteristics; traffic patterns; parking; the character of the neighborhood; signage; visibility; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics. Your site must be located within your Territory. We generally do not own the premises for the ARCpoint Labs Business. You must sign a lease for the Accepted Location on receiving our acceptance. (See Section 5.3 of the Franchise Agreement.)~~

~~2. Once a site is tentatively selected, we will review your site of choice for acceptance. All sites are subject to go through our process (See Sections 5.2 and 5.3 of the Franchise Agreement.)~~

~~3. 2. Provide advice about selecting and analyzing a site for the Lab Operations of the Business. Your site must be at least 550 to 1,500 square feet. Site selection is your responsibility, but we must approve your selection and we will assist you in the location selection process by considering population density, traffic patterns, demographics, and proximity of the proposed site to other Any Lab Test Now businesses or any other reasonable criteria. You must complete our form of site description and deliver any traffic, competition, demographic and similar site information related to the proposed site that we reasonably request. You must obtain our written acceptance of the site within six months of signing the Franchise Agreement. (See Section 10.02 of the Franchise Agreement.)~~

~~3. Provide a general outline on what you should consider in looking to lease or purchase a location for your Business. It is not our practice to own locations and lease them back to franchisees. Upon acceptance of a site that meets our requirements, you must either have your landlord execute our lease addendum ("Lease Addendum") attached to the Franchise Agreement as ~~Schedule 6~~ at Attachment VI or incorporate the terms of the Lease Addendum into the lease for the ~~Accepted Location~~. Premises. (See Section ~~5.4~~ 10.03 of the Franchise Agreement.)~~

~~4. We will Provide you training through our New Owner Support Program. The New Owner Support Program consists of up to 40 hours of support for new owners, including real estate site selection support, regular check ins with the Onboarding team, calls, visits our standard sample floor layouts and shadow opportunities with existing owners, and additional training on individual service lines.~~

~~5. We will provide you with mandatory and discretionary specifications for the ARCpoint Labs Business, including standards and suggested criteria for dimensions, architectural plans. We will approve or disapprove your plans for the design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme (See Section 5.5 of your Business within 30 days of submission. You must~~

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

Site Selection

~~You must obtain our acceptance of the site for your ARCpoint Labs Business. You may not relocate your ARCpoint Labs Business without our prior written consent. Before leasing or purchasing the site for your ARCpoint Labs Business, you must submit to us, in the form we specify, a description of the site, with other information and materials we reasonably require. We have 30 days after we receive the information and materials to evaluate the proposed site. Among other criteria, we consider a potential site's demographics, the demographics of the surrounding area, the presence of major employers and competitors in the surrounding area, proximity to "daily needs" centers (such as grocery stores and pharmacies), the traffic patterns and activity levels in the area surrounding the site, and the visibility of the site from the road. If we reject a proposed site, you must select another site. If you have not obtained our acceptance of a site within 90 days of entering the Franchise Agreement, then you must use our approved real estate site selection vendor, at no cost to you. If you have not obtained our acceptance of a site within 6 months of signing the Franchise Agreement (and we have not approved an extension), we may terminate the Franchise Agreement and retain the non-refundable Initial Franchise Fee. (See Sections 5.2 and 5.3 of the Franchise Agreement.)~~

~~We will consult with you on our current site selection guidelines and provide other site selection counseling as we deem advisable. Although we will consult with you on and must accept your site, you have the ultimate responsibility in choosing, obtaining, and developing the site for your ARCpoint Labs Business. We expect you to retain an independent expert to evaluate the suitability of a proposed site and to conduct your independent investigation of the site. We disclaim any responsibility for the suitability of the Accepted Location. Our acceptance of the Accepted Location is based on the site satisfying the minimum site selection criteria only.~~

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

Opening the Business

~~You must begin your Onsite/Online Operations 1. Within 60 days of signing the Franchise Agreement. You must begin your Lab Operations for your ARCpoint Labs Business either within 10 months from beginning your Onsite/Online Operations or within 12 months of signing the Franchise Agreement, whichever is earlier. (See Sections 5.2, 5.3, and 5.4 of the Franchise Agreement).~~

~~Failure to open an ARCpoint Labs Business for both Onsite/Online Operations and Lab Operations in any you must commence operating the Business in the Territory granted to you pursuant to a Franchise Agreement within the periods provided therein is a material breach of the Franchise Agreement. If this happens, we may, but are not obligated to, terminate the Franchise Agreement for your existing ARCpoint Labs Business. If you sign an MFA and fail to satisfy the development deadlines specified in such addendum, we will have the right to terminate any Franchise Agreements that you already signed for ARCpoint Lab Businesses that have not commenced Lab Operations at the Accepted Location at the time of the breach.~~

for Onsite/Online Operations. ~~We estimate that the typical time between signing the Franchise Agreement and opening your Onsite/Online Operations is between 30 to 59 days. We estimate that the typical time between signing the Franchise Agreement and beginning your Lab Operations at your retail location is between 4 to 12 months. Factors affecting these timeframes include attendance at, and~~

~~satisfactory completion of the applicable training program; obtaining a lease (including the Lease Addendum); obtaining all necessary permits; completion of construction; delivery and installation of equipment and supplies, and hiring and onboarding of the appropriate personnel. Failure to open for Onsite/Online Operations within the specified time frame, may result in termination of the Franchise Agreement, and we will retain all monies collected. During such Onsite/Online Operations, you be responsible for diligently performing your remaining obligation to open the Franchised Business at the Premises for the operation of Lab Operations. You may not perform patient collections or other laboratory services at any site or location other than the Premises approved by us or on-site at the client's or approved third parties' location. (See Section 10.01 of the Franchise Agreement.)~~

Franchisor's In-Term Assistance

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

~~During the operation of your the franchised business, ARCpoint Labs Business, we (or our designee(s)) will provide the following assistance and Franchise Group, LLC will:~~

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

~~1. We will offer you general guidance via telephone, webinars, e mail, facsimile, blog, intranet, newsletters, and other methods as we see reasonable and necessary. We will offer advice and guidance on a variety of business matters, including, authorized services or products, operational methods, system changes, best practices, protocols, accounting procedures, and marketing and sales strategies. (See Section 8.4 of the Franchise Agreement). We retain the right to charge a fee to offer general guidance if we determine that you are using our guidance services too frequently or in an unintended manner.~~

~~2. Within 30 days of your opening, or at any point during the term at your request or if we deem it necessary, we will send a representative to your ARCpoint Labs Business either in person or virtually, to provide additional training to you. You shall pay us our then current training rate, including paying any expenses associated with such training or assistance. (See Section 8.6 of the Franchise Agreement).~~

~~3. We will provide our then current System Standards as they are modified and/or updated for ARCpoint Labs Businesses. We may periodically modify System Standards, and those modifications may require you to invest additional capital in your ARCpoint Labs Business and/or incur higher operating expenses (See Sections 9 and 10 of the Franchise Agreement).~~

~~4. We will provide confidential and proprietary information designed to assist you in the operation of your ARCpoint Labs Business (See Section 9 of the Franchise Agreement).~~

~~5. We will maintain and administer a Brand Fund. We may dissolve the Brand Fund, in our discretion, upon written notice (See Section 11 of the Franchise Agreement).~~

~~6. We will maintain and administer one or more websites to advertise, market, and promote ARCpoint Labs Businesses and the products and services offered (each a “System Website”) (See Section 11.3 of the Franchise Agreement).~~

Advertising

~~We are not obligated to conduct any advertising. We may periodically formulate, develop, produce, and conduct at our sole discretion, advertising and promotional programs in such form and media as we determine to be most effective.~~

Brand Fund

~~You must pay monthly the greater of 2% of your Gross Sales or the Minimum Brand Contribution to the Brand Fund. Your Brand Fund Contribution will be in addition to all other advertising requirements set out in this Item 11. Franchisor owned or affiliated ARCpoint Labs Businesses may, but are not required to, contribute to the Brand Fund on the same basis as franchisees. (See Sections 3.4 and 11.1 of the Franchise Agreement.) Our other franchisees may not be required to contribute to the Brand Fund, may be required to contribute to the Brand Fund at a different rate than you, or may be required to contribute to a different advertising fund.~~

~~The Brand Fund will be administered by us, or our affiliate or designees, at our discretion. The Brand Fund will be held in a separate bank account, commercial account, or savings account. We have complete discretion on how the Brand Fund will be used. We may use the Brand Fund for the costs of (i) developing and producing ARCpoint advertising, (ii) researching, developing and deploying new products and services, (iii) to educate potential consumers about the System through community outreach, education and other initiatives, (iv) conducting other activities that are directly or indirectly designed to promote the System, its franchisees, and/or increase System sales, and (v) the costs of administering the Brand Fund. These costs may include: the cost of developing local advertising and marketing promotional materials; creating and implementing television, radio, magazine, newspaper, and digital/online advertising campaigns and other public relations activities (including, but not limited to, for purposes of community outreach and brand reputation management); developing and maintaining the System Website, brand applications and social media accounts; providing marketing support; developing and maintaining the fulfilment portal; creating and providing Manual updates; developing national, regional, or third party administration accounts; attending consumer or other end user trade shows; quality assurance and safety programs; market research; employing advertising agencies, public relations firms, media buyers and creative talent; employing in house product development, community outreach, sales, advertising, marketing and other professionals to assist in these efforts, and payment of their salaries; and fees we pay to legal, accounting, and other professional advisors to administer the Brand Fund.~~

~~We may reimburse ourselves, our authorized representatives, or our affiliates from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting, and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the Brand Fund, including, salaries and benefits of personnel to the extent they provide services to Brand Fund activities. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available,” or similar phrasing, or include information regarding acquiring a franchise on or as a part of materials and items produced by or for the Brand Fund.~~

~~We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct, or administer the Brand Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable. The Brand Fund is not audited. We will provide an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year upon written request.~~

~~In fiscal year 2023, 24% of the Brand Fund was used for production of advertising and promotional materials, 4% was used for media placement, 63% was used for administrative expenses, and 10% was used for other items including publicity efforts.~~

~~Local Advertising~~

~~In addition to the Brand Fund Contributions, you must spend: (a) at least \$15,000 for approved advertising and marketing expenses (these expenses may include, but not be limited to, online marketing, website management, PPC, Ad campaigns, Google Ad Words campaign, social media management, organic SEO, sales promotional start up package, sales leads, target marketing list purchase, grand opening package, lab start up package, public relation marketing), at our direction, throughout the first twelve months of Lab Operations; and (b) beginning with the thirteenth month of Lab Operations, the greater of 3% of your Gross Sales per twelve month period, or \$9,000 per twelve month period on approved advertising and marketing expenses (“Local Advertising Requirement”). The Local Advertising Requirement includes your mandatory participation in specific, ongoing SEO with our approved vendor. The exact nature of these activities will be prescribed by us, by our Approved Supplier, or from time to time in the Manual and elsewhere. Should you fail to maintain this activity, we reserve the right to administer SEO on your behalf with the vendor of our choice and seek reimbursement for all expenses to do so, including reasonable expenses for administering the activity. If you fail to spend the Local Advertising Requirement, you will be required to pay the Local Advertising Compliance Fee (the difference between the amount you spent on local advertising each year and your required local advertising expenditure) to the Brand Fund. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other ARCpoint Labs franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all ARCpoint Labs franchisees, and you will not issue coupons or discounts of any type except as approved by us. (See Section 11.2 of the Franchise Agreement.)~~

~~Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing~~

~~You must order sales and marketing material from us or our Approved Suppliers. It is a material breach of the Franchise Agreement to use other marketing material without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied at our sole discretion. We will review your request and we will respond in writing within thirty days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed disapproval of your request. Use of our Marks must follow our approved standards. You may not use our Marks on items to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you may be charged an Unauthorized Advertising Fee of \$500 per occurrence, payable to the Brand Fund.~~

~~Your advertising and promotion must follow our guidelines. Our guidelines regarding advertising and promotion are set forth in our Manual and change from time to time. All advertising and promotional~~

~~materials that you develop for the ARCpoint Labs Business must also contain a reference to the System website's domain name, in the manner we designate. (See Section 11.3 of the Franchise Agreement.) We may require or permit you, at our sole discretion, to use a trade name (or d/b/a) in connection with your ARCpoint Labs Business. Any tradename (or d/b/a) that you use will be determined by us in writing. We may require you to change your tradename (or d/b/a), even if it was previously approved by us, at any time and in any manner at our sole discretion.~~

~~System Website~~

~~We have established a System Website for ARCpoint Labs Businesses which includes local pages for each franchisee. Your page will include information relating to your specific business location, once established, and select the content that we provide from our System Website. Your page will also showcase ARCpoint Labs Business products and services. We reserve the right to change the requirements relating to your page at any time. As long as we maintain a System Website, we will have the right to use the Brand Fund assets to develop, maintain, and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate.~~

~~We have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.~~

~~We are only required to reference your ARCpoint Labs Business on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to one or more of your ARCpoint Labs Business from the System Website until you fully cure the subject default(s).~~

~~You may not, without our prior written approval, develop, maintain, or authorize any website that mentions or describes you, your ARCpoint Labs Business, or displays any of the Marks. We retain the sole right to market on the Internet, including the use of websites, social media platforms, domain names, uniform resource locators, linking, advertising, and co-branding arrangements. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements. We retain the sole right to use the Marks on the Internet, including on websites and social media platforms, as domain names, directory addresses, search terms, and metatags, and in connection with linking, marketing, co-branding, and other arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We may require you to provide us content for our Internet marketing. We retain the right to approve or disapprove any linking to, or other use of, the System Website in our sole discretion.~~

~~We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in the Manual. We have the right to review all online content on social media sites, blogs, electronic communications, and on other online sites on which our Marks are used to protect the reputation and high quality associated with our Marks. If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for Franchisee websites, you must agree to use our mediums (See Sections 6.7 and 11.3 of the Franchise Agreement.). We may require you to remove any questionable usage or content involving our Marks. We may also require you to cease using our Marks at all such sites or discontinue all use of such sites.~~

Advertising Council

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

Advertising Cooperative

~~You do not have to participate in a local or regional advertising cooperative.~~

Pricing

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

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

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

Computer System

~~You must purchase a computer system that consists of the following hardware and software: (a) two business class computers with professional operating systems, at least one of which must be a laptop computer; a compatible web camera capable of online webinar streaming video; inkjet or laser printer; a business class high speed Internet at your retail business location; and (b) approved operational software; approved financial reporting software; and the latest version of QuickBooks Online, which must be maintained and used for your official set of financial records and bookkeeping (collectively, “Computer System”). We do not require a certain make or model of computer hardware, but it does need to be business class hardware and capable of accommodating currently available software. We estimate the cost of purchasing the Computer System will be between \$2,550 and \$9,800. (See the Manual and Section 3.16 of the Franchise Agreement.)~~

~~In addition, you will need to pay an Approved Supplier an operational testing software fee of between \$212.50 and \$425 per month or between \$.25 and \$.50 per transaction per donor (max of 5 per donor), depending on vendor, and a Monthly Technology Fee, currently \$300 per month, until you begin Lab Operations and \$450 per month thereafter, which is payable to us. The Monthly Technology Fee may increase at our sole discretion and in amount we determine in our sole discretion. You must record all Gross Sales in QuickBooks and all operational testing data in an approved drug testing and clinical testing software. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. Additionally, approved financial reporting software must be installed and updated on the Computer System at all times. The Computer System will generate reports on the Gross Sales of your ARCpoint Labs Business. (See Section 3.9 of the Franchise Agreement.)~~

~~You must use any credit card vendors and accept all credit cards and debit cards that we determine. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”).~~

~~We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System. You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. We cannot estimate the cost of maintaining, updating, or upgrading the Computer System or its components because it will depend on your repair history, costs of computer maintenance services in your area, and technological advances, which we cannot predict at this time. We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation. (See Section 3.16 of the Franchise Agreement.)~~

~~We (or our designee(s)) have the right to independently access the electronic information and data relating to your ARCpoint Labs Business, and to collect and use your electronic information and data in any manner, including the promotion of the System and the sale of ARCpoint Labs Businesses (“ARCpoint Data”). There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your ARCpoint Labs Business, or from other locations. (See Section 3.16 of the Franchise Agreement.)~~

Training

~~Below, we have described our current training program. We reserve the right to modify our training program at any time, including the timing, frequency, content, format and location of training.~~

TRAINING PROGRAM

5. We may hold periodic regional or national conferences to discuss on-going changes in the industry, operational techniques, product and service developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. You are required to pay a registration fee and all expenses relating to your travel, food and lodging for you and your employees. These conferences will be held at our corporate headquarters or at another location chosen by us. We estimate the cost of the registration fee to be no more than \$350 per person. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than \$350 per person. You must pay all of the travel and living expenses for you and any other employees who attend. (See Section 8.03 of the Franchise Agreement.)

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

Training Programs

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

Subject	Hours of Classroom Training⁽⁺⁾	Hours of On-Site/On-The-Job Training⁽⁺⁾	Location
Onboarding	20*	0	Via telephone, email, and/or web-based methods *Varies depending on background/experience of franchisee
<u>Background Screening, Toxicology and DNA Methodology, Collection, and Testing Procedures</u>	10	0 <u>4</u>	At our corporate headquarters in Greenville, South Carolina <u>Atlanta, Georgia</u> or via telephone and/or web-based methods <u>and at your Business during your Operations Visit</u>
Breath Alcohol Technician (“ BAT ”) and Certified Professional Collector (“ CPC ”) Training and Certifications	34 (per owner/staff per certification training) *	0	At our corporate headquarters in Greenville, South Carolina or via telephone and/or web-based methods * BAT/CPC Certification may also be conducted onsite at your facility, depending on the need <u>Conducted virtually when all prerequisites are completed</u>
Business Planning, <u>B2B Proposals, and</u> Operations	24	16+	At our corporate headquarters in Greenville, South Carolina <u>Atlanta, Georgia</u> or via telephone and/or web-based methods + At your ARCpoint location <u>Business</u> during your operations visit
Sales and Marketing	8	0	At our corporate headquarters in Greenville, South Carolina <u>Atlanta, Georgia</u> or via telephone and/or web-based methods
Totals	65 <u>66</u>	16 <u>20</u> +	

Notes:

1. ~~The training subjects may vary, and the actual training may be less than the times indicated above, depending on various factors such as the number and experience of the attendees.~~

2. ~~The Initial Training will be conducted within about 60 days before you begin Onsite/Online Operations of your ARCpoint Labs Business.~~

~~3. — Our training staff has an average of 10+ years of experience. Other members of our staff may assist in training as needed. Training staff will vary based on the training format used. The minimum amount of experience in training that any instructor will have is 6 months.~~

~~4. — The training materials we use are hard copy, manuals, virtual, videos, and hands-on.~~

~~5. — As a result of the COVID-19 pandemic, in order to protect the health and safety of our instructors and franchisees, we reserve the right to offer virtual training if deemed necessary.~~

~~You (or, if you are an entity, your Managing Owner), your Designated Manager (if applicable; see Item 15 for more information on the Designated Manager), and any other individuals that we designate (“Required Trainees”) must complete Initial Training to our satisfaction. We have the right in our reasonable discretion to determine whether a Required Trainee has successfully completed the Initial Training. If we conclude that a Required Trainee has failed to successfully complete the Initial Training Program, that Required Trainee must re-enroll in our next scheduled available Initial Training program at no additional charge. We will have the right to terminate the Franchise Agreement if, following the Initial Training program and any re-enrollment, if any, none of your Required Trainees have successfully completed the Initial Training Program. If you replace a Designated Manager for any reason, the new Designated Manager must complete our Initial Training Program before assuming responsibility for the management of your ARCpoint Labs Business. Our training, provided to Required Trainees, is conducted in multiple phases as follows:~~

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

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

Our trainers include the following:

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF TRAINING EXPERIENCE WITH US</u>	<u>YEARS OF TRAINING EXPERIENCE WITH OTHER BUSINESSES</u>
<u>Kelly Cromptvoets</u>	<u>Interim President</u>	<u>4 months</u>	<u>25 years</u>
<u>Anna Vanhooose</u>	<u>Director of Operations and Administration</u>	<u>5 years</u>	<u>4 years</u>
<u>Kisty Lee</u>	<u>Marketing Manager</u>	<u>4 years</u>	<u>80</u>
<u>Crissy McDowell</u>	<u>HR and Marketing</u>	<u>1.5 years</u>	<u>15</u>

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF TRAINING EXPERIENCE WITH US</u>	<u>YEARS OF TRAINING EXPERIENCE WITH OTHER BUSINESSES</u>
Jamie Welch	VP of Strategic Initiatives	3 years	5
Yvette Grace	Accounting Operations Manager	2 years	0 years
Kethania Glenn	Clinical Operations Manager	1 year	3 years
Kyler Welch	Franchise Business Coach	0 years	8

[Existing franchisees of ARCpoint Labs businesses may also participate in providing training to new franchisees.](#)

Initial Training

Initial Training, which will occur prior to beginning your Onsite/Online Operations, includes: 1) Online Training; 2) Orientation; 3) In Person Training; and 4) Owner Lab Shadowing. Online Training typically begins within ten days of you signing the Franchise Agreement and concludes with New Owner Lab Shadowing, which typically occurs within about 60 days before you begin Onsite/Online Operations of your ARCpoint Labs business. The overall timing and length of training can vary depending on your background, specific needs, etc.

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

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

~~New Owner Lab Shadowing—During the shadowing visit, Required Trainees will spend one and a half days in an assigned shadowing lab working with the franchisee owner and their employees. You will be provided with an agenda and checklist of what to expect throughout the visit. This includes hands on experiences, collections, front and back-office tasks, and more. This typically takes place approximately 4 weeks prior to beginning Lab Operations.~~

Additional Training

Operations Training Visit

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

New Owner Support Program

~~You must participate in our New Owner Support Program. Throughout your startup period, you will be provided support from our Onboarding team and will later be assigned to a Franchise Business Consultant (FBC) who will coach you through your tenure as an ARCpoint Labs Business. A member(s) of our staff will provide your onboarding via telephone, e-mail, and various other online resources. During onboarding, we will walk you through our Owner Onboarding checklist to help guide you through the process of setting up and opening your ARCpoint Labs Business. We will also provide the Manual for this portion of training, along with access to other materials via our intranet.~~

Business Development Training

~~You must enroll and participate in the Business Development Training Program. The Business Development Training Program will begin during your onboarding process and will last about 6 months. It will include a series of learning modules, monthly one-on-one calls and monthly training cohort calls. The Business Development Training Fee is \$5,000 and must be paid when you sign the Franchise Agreement.~~

Training for Additional Employees

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

All employees providing specimen-collection services must complete the ARCpoint video training series, including exams and the mock collections and proficiency demonstrations for DOT collections, which will be accomplished through us, via interactive, video-based methods, unless otherwise arranged, and attendees must complete the training to our satisfaction before being qualified to work in your ARCpoint Labs business.

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

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

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

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

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

Supplemental Training

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

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

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

Advertising Programs

Local Advertising Requirement

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

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

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

National Marketing Fund

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

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

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

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

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

Advertising Cooperatives / Multi-Area Marketing

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

Franchise Advisory Council

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

Computer System

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

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

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

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

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

ITEM 12 TERRITORY

~~You will not receive an exclusive Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.~~ We will provide a geographic area around your Business (“Territory”) as described below. The Territory in which you are authorized to operate your ARCpoint Labs business will be based on a number of factors, including geographic size and population of people and businesses. Generally, a Territory consists of approximately 10,000 businesses as of the date you sign your Franchise Agreement. However, we cannot guarantee that your Territory will have 10,000 businesses. In certain densely populated metropolitan areas, a Territory may be considerably smaller, while ~~franchisees~~ ARCpoint Labs businesses operating in more rural areas may have a significantly larger Territory. ~~Once established, the boundaries of your Territory will not be adjusted regardless of whether the population of people and business in your Territory increase or decreases over time.~~

~~Commercial business customers in your Territory may a) already be serviced by another franchisee, either directly or as a TPA Account, or b) be serviced by another franchisee pursuant to a TPA Account in the future due to the location of the customer's headquarters. Though we strive to keep an accounting of customers, we may not be aware of all customers being serviced within a Territory, including TPA Accounts. You may operate the ARCpoint Labs your Business through your Onsite/Online Operations only within your Territory and through your Lab Operations conducted only at the Accepted Location within your Territory. If the lease for your ARCpoint Labs Business expires or is terminated without your fault, or if the site is destroyed, condemned, or otherwise rendered unusable, Premises within your Territory. You must receive our permission before relocating. We will allow you grant approval to relocate the ARCpoint Labs Business to a new site within the Territory that is acceptable to us. Relocation for any other reason will be subject to our approval, which may be withheld in our sole discretion, and you may be required to pay us a relocation fee (See Item 6). Any relocation will be subject to the site selection and lease provisions described in the Franchise Agreement and the Manual and will be at your sole expense. Our acceptance will, among other things, be based on the following factors: whether if you are in compliance with the Franchise Agreement (and MFA, if applicable), whether you have paid all money owed to us, where your new ARCpoint Labs Business will be located, whether or not such relocation will infringe upon the rights of and the proposed location meets our site selection criteria as specified in the Manual. You will not receive an exclusive territory. You may face competition from other franchisees, and the time it will take to relocate your ARCpoint Labs Business from outlets that we own, or from other channels of distribution or competitive brands that we control.~~

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

~~We will not license the right to another franchisee to open and operate an ARCpoint Labs Business nor will we operate an ARCpoint Labs Business within your Territory, as long as you comply with the Franchise Agreement. However, if you are in default of your obligations under the Franchise Agreement, we may, in addition to any other remedies available to us: (i) establish or operate, and grant others the right to establish or operate, an ARCpoint Labs Business within your Territory, or service accounts within your Territory, for the remainder of the term of the Franchise Agreement or such other time as we deem necessary for you to cure such default; and (ii) reduce the size of your Territory. Further, if you do not adhere to the Development Schedule in the MFA we may, after 30 days' notice and providing you an opportunity to cure, terminate your rights to develop any Territories where you have not opened Lab Operations. Additionally, on renewal of the Franchise Agreement, the Territory granted to you may be modified. If the Territory originally granted to you is larger than the Territory we are then granting to new franchisees, we may require you to accept a Territory upon renewal which is smaller than the Territory from the initial term of your Franchise Agreement.~~

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

We also have the right to operate or franchise businesses in your Territory that offer and sell the same or similar services to ARCpoint Labs businesses, as long as those businesses do not use the Marks,

as further noted below and in the Franchise Agreement. Once established, the boundaries of your Territory will not be adjusted without our prior written consent regardless of whether the population of your Territory increases or decreases over time. You maintain rights to your Territory even though the population increases.

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

We reserve the right, among others to:

1. Own, franchise, or operate ARCpoint Labs businesses at any location outside of the Territory, regardless of the proximity to your Business;

2. Operate or license others to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks at any location, both inside and outside of the Territory;

3. Operate or license others to operate businesses that are not similar to an ARCpoint Labs business under the Marks at any location, both inside and outside of the Territory;

4. Develop, merchandise, sell and license others to sell products and services bearing the Marks including the products and services offered at ARCpoint Labs businesses through alternative channels of distribution both inside and outside of the Territory (other than at your Business premises) including, but not limited to, television, mail order, catalog sales, wholesale sale to unrelated businesses, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce or Pay-Per-Click advertising, other than as approved by us;

5. Conduct marketing activities, including implement multi-area marketing programs which may allow us or others to solicit or sell to customers in any location, including within the Territory. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs including, but not limited to, the price in which our ARCpoint Labs businesses will be paid for providing services to a national account;

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

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

Restrictions on Marketing and Solicitation

As a franchisee, you have the right and the obligation to solicit and pursue all potential businesses (“B2B Customers”) physically located within the boundaries of your Territory. You may not directly or indirectly solicit or market to potential customers located outside of your Territory through any channel, including but not limited to the [SEO search engine optimization](#) or [PPC Pay-Per-Click](#) programs via the Internet; ~~(other than your ARCpoint Labs business website and social media and marketing managed by our approved vendors)~~, catalog sales, or telemarketing, without prior written approval from us or the ~~franchisee who~~ [ARCpoint Labs business that](#) owns the applicable territory. You may ~~not advertise in any form of media specifically designed to be seen in a territory other than your own (e.g., advertising in a newspaper whose majority of subscribers live outside of your Territory), without prior written approval from us or the franchisee who owns the applicable territory. The management of an approved website (including the System Website) or social media accounts via the Internet does not fall within this category of prohibited advertising. Notwithstanding, in certain circumstances, you may wish to~~ market to group purchasing organizations and other professional organizations that include members in your Territory and in territories belonging to other ~~franchisees~~. ~~You may undertake this marketing subject to~~ [ARCpoint Labs businesses, provided that you comply with](#) the following requirements: ~~1~~ [\(i\)](#) you must notify us and the other ~~franchisees~~ [ARCpoint Labs businesses](#) with territories that may encompass the organization’s memberships in advance by email and invite the other ~~franchisees~~ [ARCpoint Labs businesses](#) to participate in the marketing activities; and ~~2~~ [\(ii\)](#) any accounts or customers that are derived from the organization will be serviced as an account or customer of the ~~franchisee~~ [ARCpoint Labs business](#) within whose territory the account or customer is located, unless we determine otherwise ~~in our discretion~~.

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

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

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

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

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

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

TPA Accounts

~~You may establish a TPA Account and serve as the third party administrator (“TPA”) for any B2B Customer 1) with its headquarters or principal place of business (“PPOB”) within your Territory, 2) where, due to the nature of the business or the existence of additional locations or employees, the account will require certain collection services outside of your Territory, 3) all locations are owned by the same parent company, and 4) that makes all toxicology testing policy and/or and vendor determination for all the account locations at the PPOB (i.e. the “corporate level”), as opposed to on a location by location basis. For any TPA Accounts for which you serve as the TPA, you may request that other franchisees assist in serving those account locations outside your Territory and you will pay the franchisee a reasonable market rate for their services. For the TPA Accounts where you serve as TPA, subject to client preference and/or service capabilities, you shall endeavor to use ARCpoint Labs Business locations for collections whenever practicable. At your request, we may serve as the TPA for a TPA Account that you establish.~~

~~A franchisee may serve as TPA for a TPA Account with its headquarters or PPOB in that franchisee’s Territory, but which has locations in your Territory. If that franchisee requests your assistance in servicing those account locations in your Territory, then that franchisee will pay you a reasonable market rate for your services. If you decline to timely service the account, we, our affiliate or another franchisee may do so.~~

~~For any state governmental TPA Account, excluding municipal, county, or other government accounts requiring collections solely within your Territory, you must notify us in writing prior to engaging the potential customers, and we reserve the right to serve as the TPA at our discretion. We reserve the right to require that we or our affiliate serve as TPA for all TPA Accounts in the future. Any account for which we or our affiliate serves as the TPA, a mutually agreed upon revenue sharing arrangement shall be put in place between us and the franchisee who initially secured the account.~~

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

Franchisor’s Rights

~~As Franchisor, we reserve the following additional rights for ourselves and our affiliates:~~

- ~~1. To solicit, market, advertise, and provide ARCpoint authorized products and services to customers or accounts in the Territory that either span multiple territories (e.g. TPA Accounts) or require services outside of your service offering capabilities;~~
- ~~2. To operate, and grant others the right to operate, ARCpoint Labs Businesses located anywhere outside the Territory;~~
- ~~3. To sell and to grant others the right to sell products and services that are identical to, similar to, competitive with those products and services provided by your ARCpoint Labs Business, whether using the Marks or other trademarks or service marks, through any other channels of distribution other than a dedicated ARCpoint Labs retail location, including, without limitation, by electronic means such as the Internet and websites we or our affiliates may establish, or other direct marketing sales, inside or outside the Territory;~~
- ~~4. To market and offer our e-commerce services and online laboratory services for sale within the Territory;~~
- ~~5. To operate, or grant others the right to operate, businesses providing services similar to those offered by your ARCpoint Labs Business inside and outside the Territory under trademarks different from the Marks;~~
- ~~6. To acquire the assets or ownership interests of one or more businesses providing products and services the same or similar as those provided by your ARCpoint Labs Businesses, wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating;~~
- ~~7. To be acquired by a business providing products and services the same as or similar to those provided by your ARCpoint Labs Businesses; and~~
- ~~8. To engage in any activities not expressly forbidden by the Franchise Agreement.~~

Other Brands

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

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

**ITEM 13
TRADEMARKS**

~~The Franchise Agreement and your payment of Royalties~~ We grant you the ~~non-exclusive right and license to use the Marks~~ operate a business under our Marks, including the names “ARCpoint” and “ARCpoint Labs”. You may also use our other ~~current or future trademarks, service marks, and logos~~ Marks as we ~~approve~~ may designate to identify ~~operate~~ your ARCpoint Labs Business.

ARCpoint Holdings, LLC (“AH”) is the owner of our Marks and has granted us an exclusive license for the use and sublicense of those Marks to our franchisees pursuant to an intercompany license agreement dated August 12, 2019. ~~The trademark license is perpetual. You must indicate, as required in duration and may be terminated upon a material breach (by engaging the Franchise Agreement and specified in any activity which damages the Manual, that you are an independent operator of the Marks or Business and shall use the goodwill of the System) not remedied after 30 days’ written notice~~ appropriate trademark and copyright marks as indicated by us.

If the trademark license is terminated, AH has agreed to license the use of the Marks directly to our franchisees until each Franchise Agreement expires or is otherwise terminated. AH has registrations We have registered the following trademarks with the United States Patent and Trademark Office (“USPTO”) on the Principal Register ~~for the following Marks:~~

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

We have filed, and intend to file, all required affidavits and ~~renewals~~ renewal applications for these Marks. There are ~~presently~~ no effective ~~adverse material~~ determinations of the USPTO, ~~the any~~ trademark trial and appeal board, ~~or the any state~~ trademark administrator ~~of any state~~ or any court. ~~There are no, any~~ pending ~~infringement~~ interference, opposition, or cancellation proceedings.

~~Except for the trademark proceeding involving any of the above-referenced Marks. There are no currently effective agreements other than the ARCpoint Holdings license, no agreement, that significantly limits our right to use or license the use of the Marks in any manner material to the ARCpoint Labs Business. We do not know of any superior prior rights or franchise. There are no infringing uses that could or superior previous rights known to us that can materially affect your use of the Marks where your Business is to be located. There is no pending material federal or state court litigation regarding our use or ownership rights in any Mark.~~

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

~~We will defend you against any claim brought against you by a third party alleging that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action we deem appropriate, if any. You must notify us immediately if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.~~

~~If it becomes advisable at any time, in our sole discretion, for us or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.~~

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

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

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

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

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

~~The information in the Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Manual, our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyrighted Works”) as a part of the System and the Copyrighted Works may be used for the operation of your ARCpoint Labs Business pursuant to the terms of the Franchise Agreement, but such Copyrighted Works remain our sole property.~~

~~There are no Patents and Copyrights~~

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

There are no agreements currently in effect that significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the United States Copyright Office or any court regarding any of the Copyrighted Works, nor are there any proceedings pending, nor pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using the Copyrighted Works the same as the obligations for Marks described in Item 13 of this disclosure document.

~~The Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation, and franchising of ARCpoint Labs Businesses, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of ARCpoint Labs Businesses, and other related materials are proprietary and confidential (“Confidential Information”) and are our property to be used by you only as described in the Franchise Agreement and the Manual. Where appropriate, certain information has also been identified as trade secrets. You must maintain the confidentiality of our Confidential Information and trade secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and trade secrets.~~

~~We will disclose parts of the Confidential Information and trade secrets to you as we deem~~

~~necessary or advisable for you to develop your ARCpoint Labs Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and trade secrets during the term of the Franchise Agreement. The Confidential Information and trade secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or trade secrets in the operation of other ARCpoint Labs Businesses during the term of the Franchise Agreement.~~

~~You must notify us within three days after you learn about any unauthorized use of language, a visual image, or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or trade secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information, or trade secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information, or trade secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information, or trade secrets, or claim by any person of any rights in any Copyrighted Works, Confidential Information, or trade secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information, or trade secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge, or claim. We will act as we deem appropriate regarding any infringement, challenge, or claim, and we have the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or trade secrets. You must sign all instruments and documents, give assistance and do all acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyrighted Works, Confidential Information, or trade secrets.~~

~~All ideas, concepts, techniques, or materials concerning an ARCpoint Labs Business, whether or not they are protected intellectual property, and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property, part of the System, and works made for hire for our use. If any item does not qualify as a “work made for hire” for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action, including executing an assignment agreement or other documents, that we request to show our ownership or to help us obtain intellectual property rights in the item(s).~~

~~We own all ARCpoint Data, including your financial or sales data or any data you may collect in relation to the customers of your ARCpoint Labs Business. This may include posting financial information of each franchisee on an intranet website.~~

~~No patents or patents pending are material to us at this time.~~

Confidential Information

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

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

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

~~Your ARCpoint Labs Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a 25% ownership interest and voting power in the entity (“Managing Owner”). Under certain circumstances, we may allow you to appoint a designated manager (“Designated Manager”) to run the day to day operations of the ARCpoint Labs Business(es). The Designated Manager need not have an ownership interest in you if you are an entity. You, your Managing Owner, or the Designated Manager must devote his or her full time efforts (at least 35 hours per week) to the management of the day to day operation of the ARCpoint Labs Business. If you purchase multiple ARCpoint Labs Businesses in multiple Territories pursuant to an MFA, you are required to employ a Designated Manager for each ARCpoint Labs Business retail location within each Territory, who is required to work a minimum of 35 hours per week in that location, and you must spend a minimum of 40 hours per week overseeing the management of the day to day affairs of all of the ARCpoint Labs Businesses combined.~~

~~Any Designated Manager and, if you are an entity, any officer that does not own equity in you, must sign the System Protection Agreement, the form One of your owners or a manager of your Business (“Manager”) who has completed our training program, must directly supervise and participate in the actual day-to-day operation the Business. Neither you nor your Manager may have an interest or business relationship with any existing, or yet to be established, business competitor(s).~~

If you are an entity, we do not require that your Manager own an equity interest in such entity. However, your Manager and each of your officers, directors, partners, shareholders or members, as applicable, must execute our standard Nondisclosure and Noncompetition Agreement, a copy of which is attached to ~~this~~ the Franchise Disclosure Document as Exhibit G-2. All of Agreement as Attachment V. Other than the above, we make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is

If your interest is subsequently assigned to a business entity, each of the entity’s officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 20% or greater interest in the entity must sign the Guaranty attached to the Franchise Disclosure Document as Exhibit G-3. If you are an entity, each owner (i.e., each person holding an ownership interest in the entity) must sign an Owner’s Agreement guaranteeing the Agreement and agree to assume and discharge all of your obligations of the entity, the form of which is attached to and comply with all restrictions under the Franchise Agreement as Schedule 3. We also do not require that the spouses of your owners sign the Owner’s, officers, directors, shareholders, partners, and members to sign the Guaranty; however, if a spouse is directly involved in the operation of the Business, then the spouse must sign the Nondisclosure and Noncompetition Agreement.

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

You ~~must sell or may~~ offer for sale to the public only those products and services that are authorized and approved by us ~~and which meet as described in~~ our standards and specifications. ~~You must follow our System Standards, policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add to our required products and services at our discretion with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products and services that we disapprove.~~ Manual. Further, you are strictly prohibited from offering services that exceed what is allowed under your CLIA certifications.

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

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

**ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
<u>a</u>	(a) Length of the Franchise Term	Section 4.1 <u>3</u> of the <u>Franchise Agreement</u>	Ten <u>10</u> years <u>from signing the Franchise Agreement.</u>
<u>b</u>	(b) Renewal or extension of the term	Section 4.2 <u>3</u> of the <u>Franchise Agreement</u>	Upon satisfaction of certain conditions, If you may enter into <u>are in good standing, you can renew your franchise for one (1) consecutive successor 10-year renewal term of ten (10) years.</u>

	Provision	Section in Franchise Agreement	Summary
<u>c</u>	(c) Requirements for Franchisee <u>you</u> to renew or extend	Section <u>4.23 of the Franchise Agreement</u>	<p>The term “renewal” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term.</p> <p>To renew, you must: give written notice of your intent to renew 9 to 12 months before expiration of the initial term; be in compliance with the Franchise Agreement and the System; have satisfied all monetary obligations owed to us; not be in default of any provision of the Franchise Agreement or any other agreement with us; secure possession of the Lab for the entire renewal term and agree to remodel or add or replace improvements and operating assets and otherwise modify the ARCpoint Labs Business as we require, or find acceptable substitute premises; not have received more than two notices of Event of Default during the initial term of the Franchise Agreement; sign a general release; sign our then current franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions than the Franchise Agreement that covered your initial term, a release (if law allows), and other documents we use to grant Franchises; agree to comply with our then current training qualifications; pay renewal fee. This is subject to any contrary provisions contained within the State Specific Addenda.</p> <p><u>You must sign a renewal Franchise Agreement, be in compliance with your current Franchise Agreement (including payments), renovate and modernize the Business including décor, signs and equipment, and pay the Renewal Fee. The renewal Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement.</u></p>
<u>d</u>	(d) Termination by franchisee	Not Applicable	Not applicable. <u>Subject to state law, you have no right to terminate the Franchise Agreement.</u>

	Provision	Section in Franchise Agreement	Summary
<u>e</u>	(e) Termination by <u>the</u> franchisor without <u>with</u> cause	Not Applicable <u>Section 13.01 of the Franchise Agreement</u>	Not applicable. <u>We can terminate if you commit any one of several violations.</u>
<u>f</u>	(f) Termination by <u>the</u> franchisor with <u>without</u> cause	Sections 14 and 15 <u>Not Applicable</u>	We can terminate on certain violations of the Franchise Agreement by you.
<u>g</u>	(g) “Cause” defined - curable defaults	Sections 14.3 and 14.4; Section 1 of 13.01(a) the MFA <u>Franchise Agreement</u>	<p>You have 10 days to cure the following defaults: failure to submit reports when due; failure to make any payment to us, our affiliate, or third party landlord, vendor, or supplier when due.</p> <p>You have 30 days to cure the following defaults: breach of or failure to perform or observe any material covenant or obligation in the Franchise Agreement; failure to meet any Development Milestones under a Multi-Franchise Addendum; failure to meet any Training Milestones (as defined in the Franchise Agreement); failure to operate your Lab in compliance with the System Standards; failure to satisfactorily complete any required training; failure to obtain Franchisor’s approval of any third party vendors or suppliers; failure to provide all services and products Franchisor requires; offering unauthorized products or services; failure to ensure that any person required to execute a System Protection Agreement or Confidentiality Agreement signs one or to provide us with a copy of the same; engage in any activity exclusively reserved to us; failure to maintain insurance or provide certificates of insurance; or any other failure to comply with the Franchise Agreement, System Standards, or Manual. <u>You have 30 days to cure any breach of the Franchise Agreement or failure to comply with the System, except for non-curable defaults.</u></p>

	Provision	Section in Franchise Agreement	Summary
h	(h) “Cause” defined - non-curable defaults	Section 4.2 <u>3.01(b)</u> of <u>the Franchise Agreement</u>	<p>Non-curable defaults include: material misrepresentation in acquiring the ARCpoint Labs Business; violation of a non-competition covenant in another agreement; three <u>by you, failure to complete initial training, bankruptcy, insolvency, or more</u> defaults in any 12-month period; two or more of the same default in any 6-month period; <u>appointment of receiver, loss of your premises, abandonment,</u> unapproved transfers; <u>breach of confidentiality, non-compliance with law, breach of non-compete, charge or conviction of a felony or crime,</u> dishonest or unethical conduct affecting the ARCpoint Labs Business’ goodwill or reputation; loss of your right to occupy the ARCpoint Labs Business premises; relocate the Accepted Location without our permission; unauthorized disclosure, use or misuse of the Marks, Manual, or Confidential Information; an assignment for the benefit <u>certain other crimes; repeated breaches in a 12 month period; and breach of</u> creditors or other bankruptcy-related proceedings or transactions are initiated; understating your Gross Sales by more than 3%; appointment of a trustee or receiver; default beyond any applicable cure period of any other agreement between you or your <u>agreements with us and our affiliates and us or any of our affiliates;</u> default beyond any applicable cure period of any agreement relating to the operation of your ARCpoint Labs Business with any third party; surrendering or transferring control of the ARCpoint Labs Business in an unauthorized manner; failure to maintain the ARCpoint Labs Business under the supervision of a Designated Manager within 180 days of Franchisee’s death or disability; committing any act or omission that results in an immediate threat, danger, or injury to the health or safety of any person; or, failure to comply with any applicable law or regulation within 24 hours after being given notice of noncompliance.</p>

	Provision	Section in Franchise Agreement	Summary
<u>i</u>	(i) Franchisee’s obligations on termination/ non-renewal <u>nonrenewal</u>	Section 16 <u>Sections 13.02</u> <u>of the Franchise Agreement</u>	Obligations include: cease operating the ARCpoint Labs Business; if requested, assign your interest in the Accepted Location to us; cancel or assign to us any assumed names; cooperate in allowing continued communication with us via the ARCpoint Labs Business’ former fax and telephone number; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement; paying outstanding amounts, including liquidated damages, including all costs incurred by us to enforce the Franchise Agreement; complete de-identification, including removal of signs and Marks; cease use of and terminate or provide us with passwords and usernames for all social media accounts associated with or using the ARCpoint name or Marks; cease all use of and provide us access to all digital marketing and/or advertising, including but not limited to, Google My Business, Yelp, search engine optimization and pay per click campaigns that incorporate, use or reference ARCpoint or any words or Marks associated therewith; notifying telephone company and telephone directory publishers of the termination of your right to use any numbers associated with our Marks and authorizing the transfer or forwarding of the numbers and directory listings at our direction; refer clients to us or our designee; be de-identified and de-listed from all online directories and listings (e.g., Google); ceasing to use and returning Confidential Information; and delivering to us copies of all customer files, which includes referrals, credit card and bank information, and any other customer information. <u>Franchise Agreement: Obligations include complete de-identification, non-competition, and payment of amounts due, return all proprietary or confidential materials, transfer phone numbers and other listings to us.</u>
<u>i</u>	(j) Assignment of contract by franchisor	Section 17.1 <u>14.01 of the Franchise Agreement</u>	No restriction on our right to assign.

	Provision		Section in Franchise Agreement	Summary
<u>k</u>	(k) “Transfer” by franchisee - definition		Section 14.02 of the <u>Franchise Agreement</u>	Any sale, assignment, conveyance, pledge, mortgage, sublicense, or transfer, whether by operation of law or otherwise, any interest in this Agreement, the ARCpoint Labs Business, the Accepted Location used in operating the ARCpoint Labs Business, its assets or any part or all of the ownership interest in Franchisee. <u>Includes transfer of contract or assets or ownership change.</u>
<u>l</u>	(l) Franchisor’s approval of transfer by Franchisee	Sections 17.2, 17.3, and 17.4	You may not transfer <u>Section 14.03 of the Franchise Agreement</u> without our prior written approval.	<u>We have the right to approve all transfers but will not unreasonably withhold approval.</u>
<u>m</u>	(m) Conditions for franchisor’s <u>franchisor</u> approval of transfer		Sections 17.2, 17.3, and 17.4 <u>Section 14.03 of the Franchise Agreement</u>	Conditions include: we will not exercise our right of first refusal; new franchise owner qualifies; you pay us, our affiliates, and third party vendors all amounts due; transferee signs our then current franchise agreement and other documents, provisions of which may differ materially from those contained in the Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; pay transfer fee; pay any broker fee; you sign release (if law allows); transferee and any other direct or indirect owners of transferee execute a guaranty; transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; transferee has agreed to guarantee performance by the transferee, if requested by us; transferee has obtained all necessary consents and approvals of third parties; we approve material terms; before assuming management of the ARCpoint Labs Business, transferee’s Designated Manager has completed the Initial Training Program; and you or transferee pay us the transfer fee. <u>New franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current Franchise Agreement signed by new franchisee.</u>
<u>n</u>	(n) Franchisor’s right of first refusal to acquire franchisee’s Business.		Section 18 <u>14.06 of the Franchise Agreement</u>	We have 30 days to <u>can</u> match any offer for your ARCpoint Labs Business.

	Provision	Section in Franchise Agreement	Summary
<u>o</u>	(o) Franchisor's right <u>option</u> to purchase franchisee's Business	Section 16.4 <u>13.08 of the Franchise Agreement</u>	We may, but are not required to, purchase your ARCpoint Labs Business <u>inventory</u> and its premises, or any assets of the ARCpoint Labs Business for book <u>equipment at fair market value</u> , by giving you written notice of our intent to exercise this option within 30 days after the date of <u>upon</u> termination or expiration of the Franchise Agreement.
<u>p</u>	(p) Death or disability of franchisee	Section 17.7 <u>14.05 of the Franchise Agreement</u>	Your representative must transfer your interest in the Franchise Agreement to a third party within a reasonable time, but no later than 90 days after your death or disability, and unless there is an approved Designated Manager in place, the representative must also appoint a Designated Manager who must complete training and be acceptable to us or, if not, we may assume management. <u>Ownership interest and/or Business must be transferred within 9 months.</u>
<u>q</u>	(q) Non-competition covenants during the term of the franchise	Sections 7.4 and 7.5 <u>Section 15.01 and Attachment V of the Franchise Agreement</u>	You, your principal owners, and any immediate family members of you or your principal owners, and your officers, directors, executives, managers, or members (directly or indirectly), are prohibited from diverting or attempting to divert any business, customer, referral source, or supplier of the ARCpoint Labs Business to any Competitive Business; causing injury or prejudice to the Franchisor; soliciting other franchisees, or misusing franchisee lists; authorizing or assisting any other franchisee to take any action that you would be prohibited from taking; participating in a Competitive Business; having an ownership interest in, loaning money to, or performing services for a Competitive Business anywhere in the United States. A "Competitive Business" is any business that offers (or grants franchises or licenses to <u>No involvement in Competitive Business anywhere in the United States. A Competitive Business is any business (other than an ARCpoint Labs business operated under a Franchise Agreement with us) that offers (or grants franchises or licenses</u> others to operate a business

	Provision	Section in Franchise Agreement	Summary
			<p>that offers) laboratory services of any type, including, without limitation, high complexity services, moderate complexity services, low complexity services, reference lab services, services to consumers, physicians, hospitals, schools or businesses, testing for food allergies, hormones, blood or toxicology, vaccinations, drug screening, wellness, clinical, or other testing services or testing necessary for advanced regulatory compliance, including drug testing policies for all federal modalities (which includes but is not limited to The Federal Motor Carrier’s Safety Administration “FMCSA” and The U.S. <u>Department of Transportation-“DOT”</u>), <u>or in which Confidential Information could be used to the our <u>our affiliates’, and our franchisees’</u> disadvantage of Franchisor, its Affiliate(s) or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to: (a) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (b) any business operated by a publicly held entity in which Franchisee owns less than a five percent (5%) legal or beneficial ownership interest.</u></p>

	Provision	Section in Franchise Agreement	Summary
r	<p>(+) Non-competition covenants after the franchise is terminated or expires</p>	<p>16.2 15.01 and Attachment V of the Franchise Agreement</p>	<p>For a period of two (2) years (the “Restrictive Period”) after the expiration or termination of this Agreement, or with respect to any owner, the owner’s transfer and relinquishment of ownership in Franchisee’s ARCpoint Labs Business (each a “Triggering Event”), neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, within the Territory, or within the territory of any other ARCpoint Labs Business in operation or under development at the time of the Triggering Event: (a) divert or attempt to divert any business, customer, referral source or supplier of the ARCpoint Labs Business or any other ARCpoint Labs Business to any Competitive Business; (b) solicit other franchisees, or use available lists of franchisees, for any commercial purpose other than purposes directly related to the operation of the ARCpoint Labs Business; (c) do or perform any other act injurious or prejudicial to Franchisor, including disparaging Franchisor; (d) have any ownership interest in, manage, supervise or control the activities of, train employees of, advise, franchise, loan any assets to, or lease any property to a Competitive Business without the express written consent of Franchisor; or (e) authorize, assist, or induce another to take any action Franchisee itself would be prohibited from taking in accordance with the Franchise Agreement. Any period of non-compliance will be tolled as further described in the Franchise Agreement. Franchise Agreement: No Competitive Business for 2 years within 25 miles from the boundary of your Territory or within a 25 mile radius from the premises of any Lab Test Now business then in operation.</p>

	Provision	Section in Franchise Agreement	Summary
<u>s</u>	(s) Modification of the agreement	Section 21.6 <u>Sections 18.03 of the Franchise Agreement</u>	No <u>All</u> modifications of the Franchise Agreement during the term unless agreed to must be in writing, but the <u>signed by both parties; however</u> Manual is subject to change at any time at our discretion. Modifications are permitted on renewal.
<u>t</u>	(t) Integration /merger clause	Section 21.5 <u>18.02 of the Franchise Agreement</u>	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises <u>made</u> outside of this <u>the</u> franchise disclosure document and Franchise agreement may not be enforceable. <u>Nothing in the agreements or in any related agreement is intended to disclaim the representations we made in this disclosure document.</u>
<u>u</u>	(u) Dispute resolution by arbitration or mediation	Section 22.8 <u>16 of the Franchise Agreement</u>	You must mediate claims against us in South Carolina (subject to state law). Except for certain claims, all disputes must be arbitrated.
<u>v</u>	(v) Choice of forum	Sections 22.8 and 22.9 <u>Section 16 of the Franchise Agreement</u>	Mediation and litigation must take place in South Carolina (subject to applicable state law). Arbitration must be held where we have our principal place of business at the time the arbitration demand is filed (currently, Fulton County, Georgia) (subject to applicable state law); for claim not subject to arbitration, claims must be brought in the district where we have our principal place of business at that time.
<u>w</u>	(w) Choice of law	Section 22.1 <u>16.05 of the Franchise Agreement</u>	South Carolina <u>Georgia</u> law applies (subject to applicable state law);

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to ~~disclose~~provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, ~~and/or affiliate-owned~~

~~outlets~~, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

~~The majority of ARCpoint Labs franchisees market and sell most if not all of the ARCpoint Labs services at their laboratories. Generally, franchisees achieve an 85% gross margin (retail price less direct cost of goods sold) on toxicology tests and a 50% gross margin on background checks. These gross margins represent our average direct lab or vendor cost for these services. The cost does not consider labor or any overhead costs. "Retail price" represents the suggested retail price for ARCpoint owners, however owners price their tests based on market conditions.~~

~~As of December 31, 2023, we had 138 franchised and 5 affiliate-owned ARCpoint Labs Businesses. The data below only applies to the franchised ARCpoint Labs Businesses.~~

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Table 1
2023~~2024~~ Gross Sales~~Revenues~~
Minus Clinical Program Sales Analysis
Franchised Businesses Open at Least 1 Year

After August 2024, new ARCpoint Labs businesses will not participate in clinical programs, which include the offer of clinical products and services in addition to COVID-related clinical services directly to consumers. Therefore, the table below represents Gross Sales data minus all sales from clinical programs of 95 franchised ARCpoint Labs businesses that: (a) reported clinical program sales data for each of the 12 months in ~~2023~~2024; and (b) were in business 12 months or more as of December 31, ~~2023~~2024. Of the 115 franchised ARCpoint Labs businesses that had been in business for 12 months or more as of December 31, ~~2023~~2024, 20 were excluded because they did not report the clinical program sales data for each of the 12 months in ~~2023~~2024.

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

Notes to Table 1

1. “Gross ~~Sales~~ is Revenue” means the total revenue of all receipts derived ~~of all products and from~~ services performed or products sold at, from, or through ARCpoint Labs by the Business, wherever located and directly or indirectly related to the Business, whether through Lab Operations or Onsite/Online Operations, whether or not sold or performed at or from the ~~ARCpoint Labs Business, including the full redemption value of any gift certificate or coupon sold for use at the ARCpoint Labs Business (fees retained by or paid to third party sellers of~~ Premises, whether the receipts are evidenced by cash, credit, checks, gift certificates or coupons are not excluded from this calculation), and all income of every, services, property, or other kind and nature related to the ARCpoint Labs Business operation, whether for cash or credit, means of exchange and regardless of collection in the case of credit. We obtained this Gross Revenue information from unaudited franchisee reports submitted to us consistent with our reporting requirements.

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

~~3. — 4. As of December 31, 2024, there were 123 franchised and 5 affiliate-owned ARCpoint Labs businesses. The data below in Table 1 is based on the business records and this financial statements prepared by our franchisees. During the period reflected here performance representation only applies to the franchised ARCpoint Labs businesses. From January 1, 2023 to December 31, 2023, COVID-related testing constituted more than 52% of the clinical program sales.~~

4. ~~From January 1, 2023~~2024 to December 31, ~~2023~~2024, there were ~~715~~ franchised ARCpoint Labs businesses that closed, none of which had been open for less than 12 months. These closed outlets are not included in this data.

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Table 2
2023 Average and Median Gross Sales
By Tests and Services Provided by the Reporting Group

The data represented below is based on the business records and financial statements prepared by the 95 franchised ARCpoint Labs Businesses that: (a) reported this data for each of the 12 months in 2023; and (b) were in business 12 months or more as of December 31, 2023. The following table shows the average Gross Sales per Territory per product/service type sold that were reported in 2023 by these franchised ARCpoint Labs Businesses. Of the 115 franchised ARCpoint Labs Businesses that had been in business for 12 months or more as of December 31, 2023, 20 were excluded because they did not report the data for each of the 12 months in 2023.

Average Gross Sales per Territory per Product / Service Type	Top 20% by Gross Sales	Middle 60% by Gross Sales	Bottom 20% by Gross Sales
Background Checks	\$ 5,586	\$ 3,782	\$ 3
Total Clinical	\$ 90,635	\$ 34,548	\$ 7,317
Finger Printing	\$ 2,430	\$ 2,913	\$ 302
On-Site / After Hours	\$ 34,897	\$ 6,747	\$ 691
Physicals	\$ 5,229	\$ 611	\$ 5
TPA Collection	\$ 49,792	\$ 12,564	\$ 2,457
Fee for Serv Misc	\$ 6,965	\$ 3,234	\$ 222
Total Fee for Service Income	\$ 195,534	\$ 64,399	\$ 10,987
Breath Alcohol Test	\$ 791	\$ 39	\$ -
DNA Paternity	\$ 11,178	\$ 6,028	\$ 1,898
Urine - Combined	\$ 22,469	\$ 7,421	\$ 586
Revenue Tests - Other & Hair/Nail	\$ 6,191	\$ 4,232	\$ 470
Revenue Tests Misc	\$ 108,785	\$ 18,552	\$ 1,641
Total Revenue Tests	\$ 149,413.24	\$ 36,271.62	\$ 4,595.51
Other Misc	\$ 287,761	\$ 101,486	\$ 31,132
Total Gross Sales	\$ 632,708	\$ 202,156	\$ 46,715

The data in the table above is also reflected with the same numbers in a graphical form in the charts below.

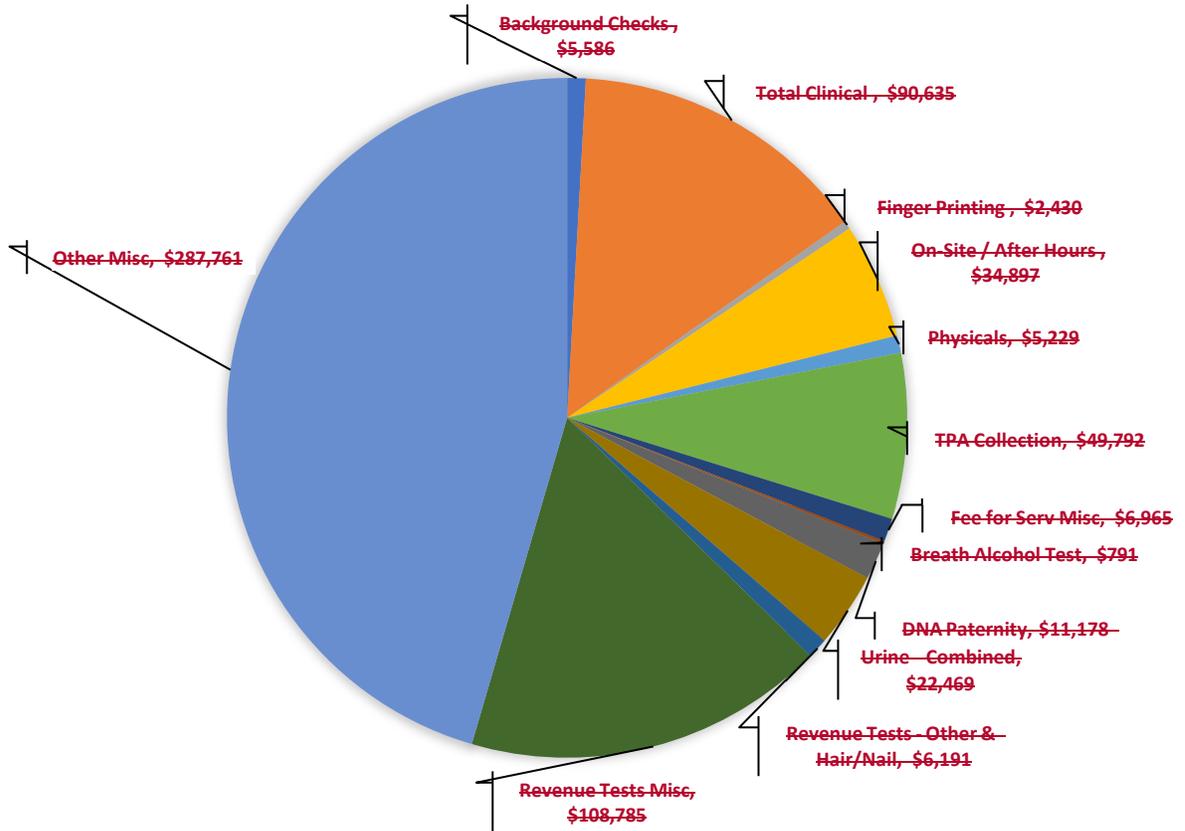
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The following table shows the median Gross Sales per Territory per product/service type sold that were reported in 2023 by these ARCpoint Labs Businesses.

Median Gross Sales per Territory per Product / Service Type	Top 20% by Gross Sales	Middle 60% by Gross Sales	Bottom 20% by Gross Sales
Background Checks	\$ 5,894	\$ 690	\$ 63
Total Clinical	\$ 46,634	\$ 20,410	\$ 2,025
Finger Printing	\$ 3,265	\$ 4,671	\$ 1,237
On-Site / After Hours	\$ 38,079	\$ 6,713	\$ 500
Physicals	\$ 6,577	\$ 2,855	\$ 99
TPA Collection	\$ 60,073	\$ 17,031	\$ 8,349
Fee for Serv Misc	\$ 21,054	\$ 48,034	\$ 2,111
Total Fee for Service Income	\$ 181,576	\$ 100,404	\$ 14,186
Breath Alcohol Test	\$ 7,513	\$ 2,225	\$ -
DNA Paternity	\$ 13,913	\$ 7,955	\$ 6,156
Urine - Combined	\$ 21,525	\$ 2,644	\$ 653
Revenue Tests - Other & Hair/Nail	\$ 8,163	\$ 4,090	\$ 1,112
Revenue Tests Misc	\$ 16,694	\$ 7,394	\$ 988
Total Revenue Tests	\$ 67,806.35	\$ 24,307.95	\$ 8,909.77
Other Misc	\$ 249,216	\$ 76,925	\$ 33,480
Total Gross Sales	\$ 632,708	\$ 202,156	\$ 46,715

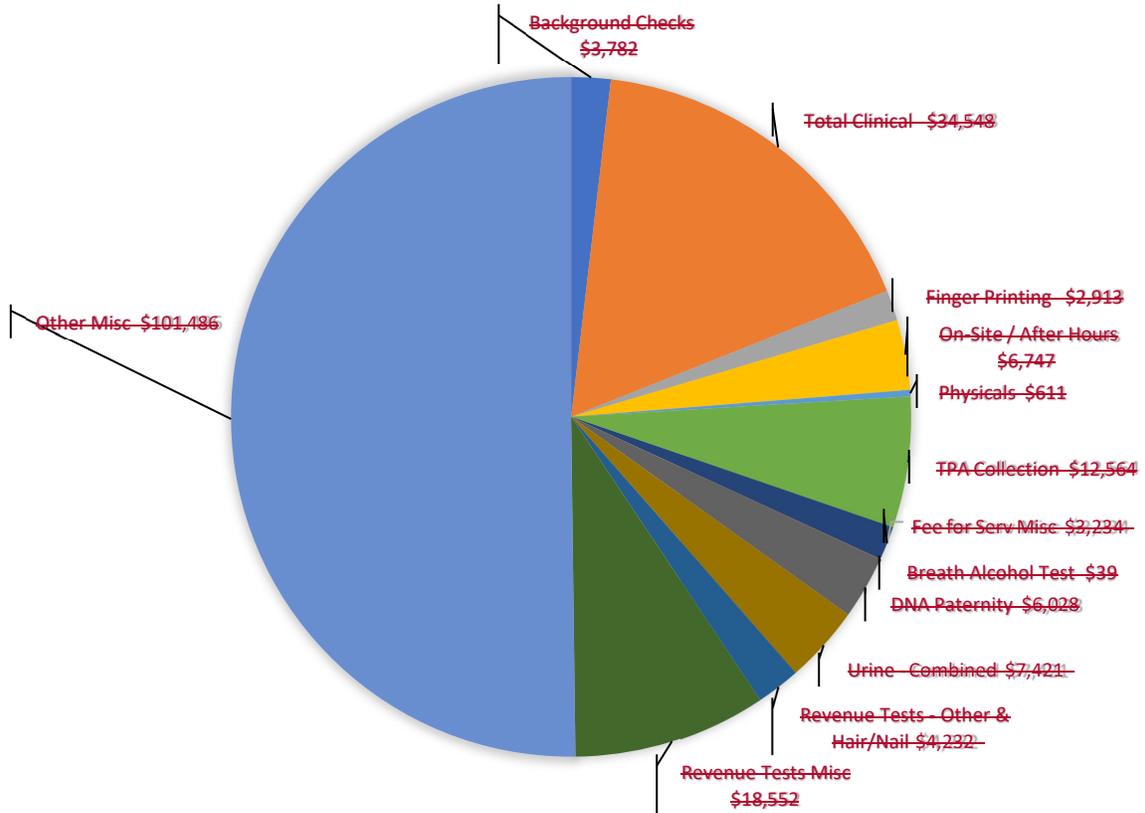
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TOP 20% BY GROSS SALES — 2023



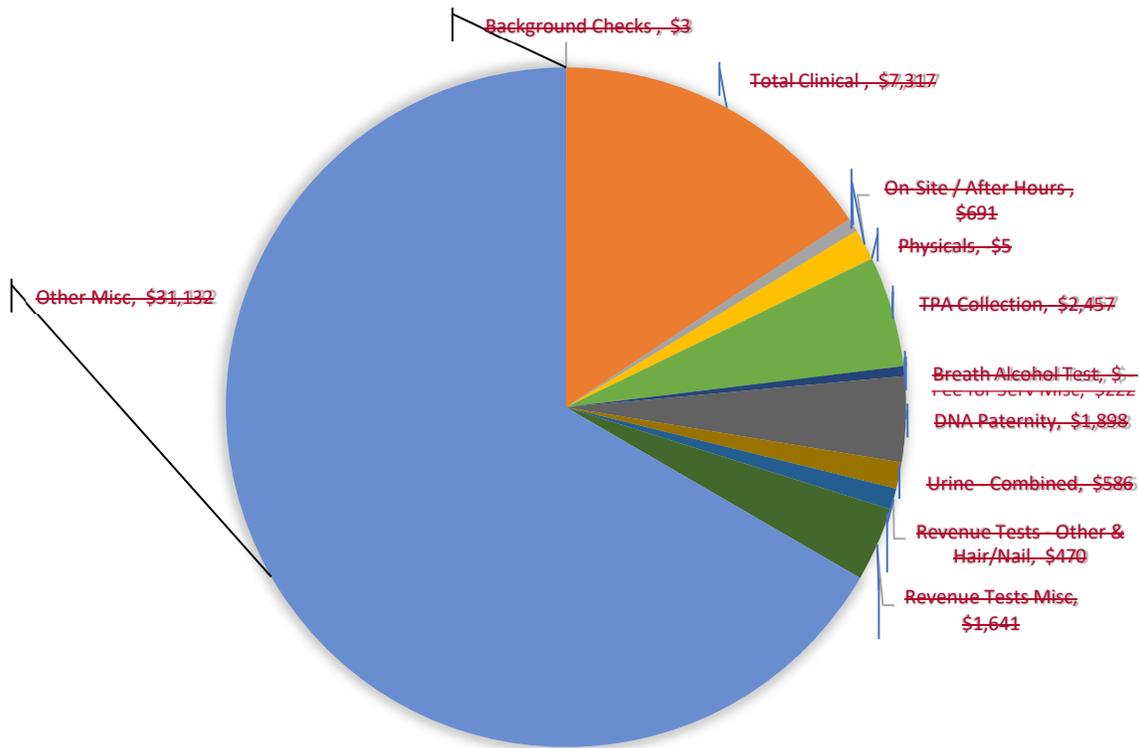
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MIDDLE 60% BY GROSS SALES — 2023



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~~BOTTOM 20% BY GROSS SALES — 2023~~



Notes to Table 2

1. ~~Notes about Product Mix and Gross Margin:~~

- a. ~~Top 20% performers have a higher mix of clinical testing and non-traditional testing modalities such as oral fluid, hair and nail testing that tend to have higher gross margin than the traditional urine testing.~~
- b. ~~Collection for TPA Accounts makes up just 13% of the Gross Sales for the top 20% performers and middle 60% performers, while it makes up 27% for the bottom 20% performers.~~

2. ~~From January 1, 2023 to December 31, 2023, there were 7 franchised ARCpoint Labs Businesses that closed, none of which had been open for less than 12 months. These closed outlets are not included in this data.~~

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NOTES FOR ALL TABLES

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

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

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

Other than ~~this~~ the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting ~~John Constantine~~ Kelly Cromptvoets at ~~101303 Perimeter Center North Main Street, Suite 301, Greenville, South Carolina 29601-575, Atlanta, GA 30346~~ or the Federal Trade Commission, and the appropriate regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

TABLE NO. 1
~~System-wide~~
Systemwide Outlet Summary
For Years ~~2021-2023~~ 2022 to 2024
(As of December 31 of each year)

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2021 <u>2022</u>	99 <u>110</u>	110 <u>128</u>	+11 <u>18</u>
	2022 <u>2023</u>	110 <u>128</u>	128 <u>138</u>	+18 <u>10</u>
	2023 <u>2024</u>	128 <u>134</u>	138 <u>124</u>	+10 <u>-10</u>
Company Owned <u>Affiliate-Operated</u>	2021 <u>2022</u>	25 <u>5</u>	5 <u>5</u>	+30 <u>0</u>
	2022 <u>2023</u>	5 <u>5</u>	5 <u>5</u>	0 <u>0</u>
	2023 <u>2024</u>	5 <u>5</u>	5 <u>4</u>	0 <u>-1</u>
Total Outlets	2021 <u>2022</u>	101 <u>115</u>	115 <u>133</u>	+14 <u>18</u>
	2022 <u>2023</u>	115 <u>133</u>	133 <u>143</u>	+18 <u>10</u>
	2023 <u>2024</u>	133 <u>139</u>	143 <u>128</u>	+10 <u>-11</u>

~~*This chart includes both franchised and company owned businesses. The company owned units referred to in this table are owned and operated by our affiliates, ODS and ACL, and their respective subsidiaries. As of December 31, 2023, all franchised and company/affiliate owned businesses operated under the name ARCpoint or ARCpoint Labs.~~

TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2021-2023~~2022 to 2024
(As of December 31 of each year)

STATE	YEAR	NUMBER OF TRANSFERS
California	2021 2022	0 1
	2022	1
	2023	0
	<u>2024</u>	<u>1</u>
Florida	2021 2022	0 1
	2022	1
	2023	2
	<u>2024</u>	<u>2</u>
Illinois	2021 2022	0 1
	2022	1
	2023	0
Minnesota	2021 2024	2 0
<u>Nevada</u>	2022	0
	2023	0
	<u>2024</u>	<u>1</u>
North Carolina	2021 2022	0
	2022	0
	2023	1
Ohio	2021	1
	2022 2024	0
	2023	0
Oklahoma	2021 2022	0
	2022	0
	2023	1
	<u>2024</u>	<u>0</u>
South Carolina	2021 2022	0
	2022	0
	2023	1
	<u>2024</u>	<u>0</u>
Texas	2021 2022	1
	2022	1
	2023	3
	<u>2024</u>	<u>1</u>
Virginia	2021 2022	0 1
	2022	1
	2023	1
	<u>2024</u>	<u>0</u>
Washington	2021 2022	1 0
	2022	0
	2023	1
	<u>2024</u>	<u>0</u>
Totals	2021 2022	5
	2022	5

STATE	YEAR	NUMBER OF TRANSFERS
	2023	10
	2024	5

TABLE NO. 3
Status of Franchised Outlets
For Years ~~2021-2023~~ 2022 to 2024
(As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	Terminations <u>TE RM-INATIONS</u>	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATION S- OTHER REASONS	OUTLETS AT END OF THE YEAR
Alabama	2021 <u>20</u> <u>22</u>	1	0	0	0	0	0	1
	2022 <u>20</u> <u>23</u>	1	0	0	0	0	0	1
	2023 <u>20</u> <u>24</u>	1	0 <u>1</u>	0	0	0	0	1 <u>2</u>
Arizona	2021 <u>20</u> <u>22</u>	2 <u>3</u>	0 <u>0</u>	0	0	0	0	3
	2022 <u>20</u> <u>23</u>	3	0	0	0	0	0	3
	2024	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>
Arkansas	2022 <u>20</u> <u>22</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	3 <u>0</u>	0	0	0	0	0	3 <u>0</u>
	2024	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
California	2021 <u>20</u> <u>22</u>	13 <u>12</u>	0 <u>3</u>	0 <u>0</u>	0	0	0 <u>2</u>	12 <u>13</u>
	2022 <u>20</u> <u>22</u>	12 <u>12</u>	3 <u>3</u>	0 <u>0</u>	0 <u>0</u>	0 <u>0</u>	2 <u>2</u>	13 <u>13</u>
	2023	13	1	0	0	0	2	12
	2024	<u>12</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>
Connecticut	2021 <u>20</u> <u>22</u>	0	0	0	0	0	0	0
	2023	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2024	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0 <u>0</u>	0	0	0	0	0 <u>0</u>
Florida	2021 <u>20</u> <u>24</u>	15 <u>0</u>	4 <u>1</u>	0	0 <u>0</u>	0	0 <u>0</u>	17 <u>1</u>
Florida	2022	17	2	0	2	0	0	17
	2023	17	5 <u>6</u>	0	0	0	2	20 <u>21</u>
Georgia	2021 <u>20</u> <u>24</u>	2 <u>1</u>	3	0 <u>2</u>	0	0	0 <u>5</u>	4 <u>17</u>
Georgia	2022	4	2	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Illinois	2021 <u>20</u> <u>24</u>	3 <u>6</u>	0 <u>0</u>	0 <u>1</u>	0	0	0 <u>1</u>	4
Illinois	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	Terminations REINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATION S- OTHER REASONS	OUTLETS AT END OF THE YEAR
Indiana	2021 2024	14	0	0 1	0	1 0	0 1	0 2
Indiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Kentucky	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Louisiana	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Maryland	2021 2024	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Massachusetts	2021 2022	2 3	1	0	0	0	0	3 4
	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Michigan	2021 2024	1 5	0	0	1 0	0	0	0 5
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Minnesota	2021 2022	4 5	1	0	0	0	0	5 6
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	1	5
	2024	5	0	2	0	0	0	3
Missouri	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Nebraska	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nevada	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	Terminations RE-NEWALS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATION S- OTHER REASONS	OUTLETS AT END OF THE YEAR
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2021 2022	9 10	1	0	0	0	0	10 11
	2022 2023	10 11	2	0	0 1	0	0	12
	2023 2024	12	1	0	0 1	0	0 1	12
Ohio	2021 2022	4	4 0	0	0	0	0	5 4
	2022	5	0	0	0	0	0	5
	2023	5 4	1	0	0	0	0	6 5
	2024	5	0	0	0	0	0	5
Oklahoma	2021 2022	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oregon	2021 2022	0 1	1 0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2021 2022	5	0 2	0	0	0	0	5 7
	2022	5	2	0	0	0	0	7
	2023	7	0	0	0 1	0	1 0	6
	2024	6	0	0	0	0	0	6
South Carolina	2021 2022	5 2	0	0	0	0	0	5 2
	2022	5	1	0	0	0	0	6
	2023	6 2	1	0	0	0	0	7 3
	2024	3	0	0	0	0	2	1
Tennessee	2021 2022	2 1	0 1	1 0	0	0	0	1 2
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021 2024	10 2	3 0	1 0	0	0	0	12 2
Texas	2022	12	6	0	0	0	1	17

STATE	YEAR	OUTLETS AT START OF THE YEAR	OUTLETS OPENED	Terminations IF <u>RM-INATIONS</u>	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATION S- OTHER REASONS	OUTLETS AT END OF THE YEAR
	2023	17	4	0	0	0	1	20
	<u>2024</u>	<u>20</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>21</u>
Virginia	2021 <u>2022</u>	76 <u>76</u>	03 <u>03</u>	10 <u>10</u>	0	0	01 <u>01</u>	68 <u>68</u>
	2022	6	3	0	0	0	1	8
	2023	8	1	0	0	0	0	9
	<u>2024</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>6</u>
Washington	2021 <u>2022</u>	35 <u>35</u>	20 <u>20</u>	0	0	0	0	5
	2022 <u>2023</u>	5 <u>5</u>	0 <u>0</u>	0	0	0	0	5
	2023 <u>2024</u>	5 <u>5</u>	0 <u>0</u>	0	0	0	0	5
Washington, DC	2021 <u>2022</u>	1 <u>1</u>	0 <u>0</u>	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Wisconsin	2021 <u>2022</u>	1 <u>1</u>	0 <u>0</u>	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	2021 <u>2022</u>	99 <u>106</u>	19 <u>22</u>	40 <u>40</u>	2	10 <u>10</u>	14 <u>14</u>	110 <u>122</u>
	2022	110	24	0	2	0	4	128
	2023	<u>128</u> <u>122</u>	<u>18</u> <u>20</u>	0	<u>0</u> <u>2</u>	0	<u>8</u> <u>6</u>	<u>138</u> <u>134</u>
	<u>2024</u>	<u>134</u>	<u>16</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>17</u>	<u>124</u>

TABLE NO. 4
Status of ~~Company-Owned~~Affiliate-Operated Outlets
For Years ~~2021-2023~~2022 to 2024
(As of December 31 of each year)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Indiana	2021 <u>2022</u>	01 <u>01</u>	0	10 <u>10</u>	01 <u>01</u>	0	10 <u>10</u>
	2022 <u>2023</u>	10 <u>10</u>	0	0	10 <u>10</u>	0	0
	2023 <u>2024</u>	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Ohio	2021 ²⁰ 22	0 ₁	4 ₀	0	0	0	1
	2022 ²⁰ 23	1	0	0	0	0	1
	2023 ²⁰ 24	1	0	0	0	0	1
South Carolina	2021 ²⁰ 22	2 ₃	0 ₁	4 ₀	0	0	3 ₄
	2022 ²⁰ 23	3 ₄	4 ₀	0	0	0	4
	2023 ²⁰ 24	4	0	0	0	0	4
Total	2021 ²⁰ 22	2 ₅	1	2 ₀	0 ₁	0	5
	2022 ²⁰ 23	5	4 ₀	0	4 ₀	0	5
	2023 ²⁰ 24	5	0	0	0	0	5

* The five company-owned units at the start of 2023 refer to the units owned and operated by our affiliates, ACL and ODS and their respective subsidiaries.

TABLE NO. 5
Projected Openings as of December 31, ~~2023~~²⁰²⁴

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned ^{Affiliate-Operated} Outlets in the Next Fiscal Year
Alabama	2 ₁	0	0
Arizona	3 ₂	0 ₁	0
Arkansas	4 ₀	0	0
California	15	1 ₃	0
Delaware	4 ₀	0	0
D -District of Columbia	1	0	0
Florida	4 ₃	1	0
Georgia	4 ₃	0	0
Illinois	4 ₀	0	0
Indiana	4 ₀	0	0
Louisiana	1	0	0
Maryland	3 ₁	0	0
Massachusetts	2	0	0
Minnesota	1	0	0
Missouri	4 ₀	0	0
Nebraska	1	0	0
New Jersey	2	0	0

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company- Owned <u>Affiliate-Operated</u> Outlets in the Next Fiscal Year
<u>Nevada</u>	<u>1</u>	<u>0</u>	<u>0</u>
North Carolina	5	0	0
Ohio	3	0	0
Oklahoma	2	0	0
Pennsylvania	7	0 <u>1</u>	0
South Carolina	4 <u>0</u>	0	0
<u>Tennessee</u>	<u>1</u>	<u>0</u>	<u>0</u>
Texas	10 <u>5</u>	2 <u>1</u>	0
Utah	0	4 <u>0</u>	0
Virginia	6 <u>0</u>	0	0
Washington	2	0	0
Wisconsin	2 <u>3</u>	0	0
TOTALS	88 <u>62</u>	57 <u>7</u>	0

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

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

Advisory Council

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

ITEM 21 FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit B contains A are our audited financial statements ~~for our fiscal years ended as of December 31, 2024, December 31, 2023 and December 31, 2022, and 2021.~~ and unaudited financial statements for the period which ended on May 31, 2025. Our fiscal year end is December 31.

**ITEM 22
CONTRACTS**

Attached to this disclosure document are the following ~~exhibits contain proposed agreements regarding the Franchise~~contracts:

- ~~Exhibit CB~~ Franchise Agreement ~~and Schedules~~
 - ~~Schedule 1~~ Franchise Data Sheet
 - ~~Schedule 2~~ Accepted Location and Territory
 - ~~Schedule 3~~ Owner's Agreement
 - ~~Schedule 4~~ Statement of Ownership
 - ~~Schedule 5~~ Automatic Bank Draft Authorization
 - ~~Schedule 6~~ Form of Lease CMulti-Unit Addendum

- ~~Exhibit DF~~ State Required Agreement Addenda ~~to The Franchise Agreement~~

- ~~Exhibit E~~ Form Multi Franchise Addendum

- ~~Exhibit I~~ Other Agreements

- ~~Exhibit I 1~~ Form of General Release ~~Agreement~~
 - ~~Exhibit I 2~~ Form of System Protection Agreement
 - ~~Exhibit I 3~~ Form of Confidentiality Agreement

- ~~Exhibit J~~ Franchisee Disclosure ~~Questionnaire~~ Acknowledgement Form

**ITEM 23
~~RECEIPTS~~ RECEIPT**

~~There are two copies of~~ Included as the last document of this disclosure document is a detachable Receipt ~~at the end of this Disclosure Document. Please sign and date both copies.~~ to be signed by you.

EXHIBIT A

FINANCIAL STATEMENTS

ACRpoint Franchise Group

Audited Financial Statements

For the Year Ended December, 31, 2024

ARCPOINT FRANCHISE GROUP
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December 31, 2024

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

Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

KMS Financial Consulting

Coral Springs, Florida
June 12, 2025

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements

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

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

See accompanying notes to financial statements

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

NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

NOTE 3 – CASH AND CASH EQUIVALENT

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

NOTE 4 – ACCOUNTS RECEIVABLE

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

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

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

NOTE 5 – PROPERTY PLANT AND EQUIPMENT

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

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

NOTE 6 – UNEARNED REVENUE

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

NOTE 7 – LEASE PAYABLE

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

NOTE 8 – RELATED PARTY TRANSACTIONS

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

NOTE 9 – SUBSEQUENT EVENTS

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

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

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

To the Owners

March 14, 2024

Independent Auditor's Report

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Respectfully submitted,

Kevin Norton, CPA

Kevin Norton, C.P.A.

Serving the business community since 1985.

ARCpoint Franchise Group, LLC

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

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

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

ARCpoint Franchise Group, LLC
Statement of Income (Loss)

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

MEMBERS EQUITY STATEMENT

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

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

ARCpoint Franchise Group, LLC
Statement of Cash Flows

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

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

ARCpoint Franchise Group, LLC

Notes to Financial Statements December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business Activity

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

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

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

Basis of Presentation

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

Use of Estimates

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Other Current Assets

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

Property and Equipment

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

Intangibles

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

ARCpoint Franchise Group, LLC

Notes to Financial Statements December 31, 2023

Revenue Recognition

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

Income Taxes

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

Date of Management's Review

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

NOTE 2 – CONCENTRATION OF CREDIT RISK

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

NOTE 3 – PROPERTY AND EQUIPMENT

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

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

NOTE 4 – Right of Use Asset

Leases carried on the balance sheet and amortized straight line.

ARCpoint Franchise Group, LLC

Notes to Financial Statements December 31, 2023

NOTE 5 – NOTE PAYABLE

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

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

NOTE 6 – RELATED PARTY TRANSACTIONS

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

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

NOTE 7 – CONCENTRATIONS

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

NOTE 8 - COMMITMENTS AND CONTINGENCIES

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

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

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

NOTE 10 – FINANCIAL STATEMENTS RESTATED

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

NOTE 11 – ADVERTISING & MARKETING

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

UNAUDITED FINANCIAL STATEMENTS

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

ARCpoint Franchise Group, LLC

Profit and Loss January - May, 2025

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

ARCpoint Franchise Group, LLC

Profit and Loss January - May, 2025

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

ARCpoint Franchise Group, LLC

Profit and Loss January - May, 2025

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

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

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

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

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

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

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

ARCpoint Franchise Group, LLC

Balance Sheet As of May 31, 2025

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

ARCpoint Franchise Group, LLC

Statement of Cash Flows

January - May, 2025

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

ARCpoint Franchise Group, LLC

Statement of Cash Flows

January - May, 2025

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

EXHIBIT B

FRANCHISE AGREEMENT



ARCPOINT FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

Franchisee: _____

Effective Date: _____

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ARCPOINT FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

This Franchise Agreement (~~“(this “Agreement”)~~) is ~~made and~~ entered into ~~on the date set forth in~~ **Schedule 1 (“Effective Date”)** by and between ARCpoint Franchise Group, LLC, a South Carolina limited liability company, ~~located at 101 North Main Street, Suite 301, Greenville, South Carolina 29601~~ (“Franchisor”) and ~~the franchisee identified in Schedule 1~~ _____ a (“Franchisee”). ~~”) and is made effective as of the date beneath Franchisor’s signature to this Agreement (“Effective Date”).~~

~~WITNESSETH:~~

~~WHEREAS, RECITALS~~

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

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

~~WHEREAS,~~ ~~the distinguishing characteristics of the System include the confidential operating procedures, the Manual, and the standards and specifications for equipment, products and services, methods of service, management and marketing programs, and sales techniques and strategies, which may be modified during the Term;~~

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

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

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

~~WHEREAS,~~ Franchisee recognizes that in order to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to

Franchisor's present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies, and related matters; ~~and,~~

~~WHEREAS,~~ Franchisee is aware of the foregoing and desires the right to use the System and ~~in association therewith, the right to use the Marks, and wishes to be assisted and trained~~ to operate an ARCpoint Labs business pursuant to the provisions and within the territory specified in this Agreement; ~~Franchisor is willing to grant a franchise to Franchisee to operate an ARCpoint Labs business~~ subject to the terms and conditions contained in this Agreement.

~~NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:~~

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

1. DEFINITIONS

~~Whenever used in this Agreement, the following words and terms have the following meanings:~~

~~“AAA” is defined in Section 22.8;~~

~~“Affiliate” means any entity that controls, is controlled by, or is under common control with Franchisor;~~

~~“Agreement” means this agreement entitled “ARCpoint Franchise Group, LLC Franchise Agreement” and all instruments supplemental to or in amendment or confirmation hereof;~~

~~“Accepted Location” means the brick and mortar site for the operation of an ARCpoint Labs Business selected by Franchisee and approved in writing by Franchisor;~~

~~“Approved Supplier(s)” is defined in in Section 12.1;~~

~~“ARCpoint Labs Business” is defined in the Preamble;~~

~~“BAT” is defined in Section 3.2.3;~~

~~“Brand Fund” is defined in in Section 11.1;~~

~~“Brand Fund Contribution” is defined in in Section 3.4.1;~~

~~“Business Records” is defined in Section 3.16;~~

~~“Claim(s)” is defined in Section 22.1;~~

~~“CLIA” is defined in Section 5.5.6;~~

~~“Clinical Audit” is defined in Section 12.11;~~

~~“Collection Payment” is defined in Section 2.5.1.~~

1.01 “Business Records” means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Franchised Business, and all evidence and records with respect

to customers, clients, employees, and other service professionals relating the Franchised Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the databases, and all other records created and maintained by Franchisee in operation of the Franchised Business.

~~1.01~~1.02 **“Competitive Business”** means any business that offers (or grants franchises or licenses others to operate a business that offers) laboratory services of any type, including, without limitation, high complexity services, moderate complexity services, low complexity services, reference lab services, services to physicians, hospitals, schools or businesses, testing for food allergies, hormones, blood or toxicology, vaccinations, drug screening, wellness, clinical, or other testing services or testing necessary for advanced regulatory compliance, including drug testing policies for all federal modalities (which includes but is not limited to The Federal Motor Carrier’s Safety Administration **“FMCSA”** and **The U.S. Department of Transportation** **“(DOT)”**), or in which Confidential Information could be used to the disadvantage of Franchisor, its ~~Affiliate(s)~~affiliates or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to: ~~(a) any an ARCpoint Labs business operated by Franchisee under a franchise agreement with Franchisor; or (b) any business operated by a publicly held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;~~

~~“Computer System” is defined in Section 3.15;~~

~~1.02~~1.03 **“Confidential Information”** means any information or matter that is valuable to Franchisor because it is not generally known by the public the disclosure of which would put Franchisor and its affiliates at a competitive disadvantage, whether or not in written or tangible form, and regardless of the media (if any) on which it is stored, relating to the System (including knowledge and experience in operating ~~the~~ARCpoint Labs ~~Business~~businesses, product specifications, operational and production techniques and methods, recordkeeping and reporting methods, accounting systems, management and personnel training techniques, sales and promotion techniques, strategic plans, including expansion strategies and targeted demographics, policies, procedures, standards, specifications for signs, displays, business forms and stationery, the Manual, research and development (including market research), lists of ~~franchisees and~~suppliers, suggested pricing and cost information, knowledge of operating results and financial performance of ARCpoint Labs businesses other than the ~~ARCpoint Labs~~Franchised Business ~~granted to Franchisee~~, and all data generated by, or used or developed in operating the ~~ARCpoint Labs~~Franchised Business ~~granted to Franchisee~~) and any other information or material identified to Franchisee by Franchisor as confidential;

~~“Controlled Entity” is defined in Section 17.3.1;~~

~~“Copyrights” is defined in Section 6.1;~~

~~“CPC” is defined in Section 3.2.2;~~

~~“Credit Card Vendors” is defined in Section 3.15;~~

~~“Customer Information” is defined in Section 7.7.~~

~~“Data Breach” is defined in Section 7.8.~~

~~1.03~~1.04 **“Designated Manager**Franchised Business” means the ~~individual designated by Franchisee, and approved by Franchisor, as having primary responsibility for managing the day to day affairs of the~~franchised ARCpoint Labs business; which Franchisee is granted the right to operate under this Agreement.

~~“Development Milestones” is defined in Section 5.8;~~

~~“Effective Date” is defined in the Preamble;~~

~~“EFT” is defined in Section 3.3.2;~~

~~“Election Notice” is defined in Section 4.3.2;~~

~~“Event of Default” is defined in Section 14.1;~~

~~“Existing Franchise Owner” is defined in Section 17.2.7;~~

~~“Franchise Disclosure Document” “Gross Revenue” means the disclosure document delivered to Franchisee in connection with Franchisee’s consideration of the purchase of the ARCpoint Labs Business;~~

~~“Franchisee” is defined in the Preamble;~~

~~“Franchisor” is defined in the Preamble;~~

~~“Franchisor Cure Period” is defined in Section 22.7;~~

~~“Franchisor Indemnitees” is defined in Section 20.2;~~

~~“Generally Accepted Accounting Principles” or “GAAP” means the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements;~~

~~“Gross Sales” means the total selling price of all products and receipts derived from services performed or products sold at, from, by the Franchised Business, wherever located and directly or through Franchisee’s ARCpoint Labs indirectly related to the Franchised Business, whether through Lab Operations or Onsite/Online Operations and, whether or not sold or performed at or from the Accepted Location, including the full redemption value of any gift certificate or coupon sold for use at the ARCpoint Labs Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation), and all income of every other kind and nature related to the ARCpoint Labs Business operation Premises, whether for the receipts are evidenced by cash or, credit, checks, gift certificates, coupons, services, property, or other means of exchange and regardless of collection in the case of credit;~~

~~“Gross Sales Report” is defined in Section 3.8;~~

~~“HIPAA” is defined in Section 3.5.3;~~

~~“Immediate Family Member” is defined in Section 17.4.1;~~

~~“Incapacity” means the inability of Franchisee or any holder of a legal or beneficial interest in Franchisee to operate or oversee the ARCpoint Labs Business on a regular basis by reason of any continuing physical, mental, or emotional condition, chemical dependency, or other limitation;~~

~~“Initial Franchise Fee” is defined in in Section 3.1;~~

~~“Initial Term” is defined in Section 4.1;~~

~~“Initial Training” is defined in Section 8.1;~~

“Initial Training Fee” is defined in Section 3.2.1;

“Internal Dispute Resolution” is defined in Section 22.7;

~~1.041.05~~ **“Internet”** means any one or more local or global interactive communications media ~~Revenue excludes sales tax receipts that is now available, or Franchisee must by law collect from customers and that may become available, and includes sites and domain names on the World Wide Web;~~ Franchisee actually pays to the government; promotional or discount coupons to the extent that Franchisee realizes no revenue; and employee receipt of services or products, if free, or any portion not paid for by an employee.

~~1.051.06~~ **“Lab Operations”** means the testing, screening and related products and services provided at the Premises of Franchisee’s brick-and-mortar ARCpoint Labs retail location; ~~;~~

“Legal Requirements” means applicable laws, statutes, regulations, codes, ordinances, decrees, rules, regulations, municipal by laws, judicial, administrative, ministerial, governmental, or regulatory judgments, orders, decisions, rulings or awards and restraints, or any provisions of the same, including general principles of common and civil law.

“Local Advertising Requirement” is defined in in Section 11.2;

“Managing Owner” means any one of Franchisee’s owners, if Franchisee is an entity, who is a natural person with at least a 25% ownership interest and voting power in Franchisee, and that manages the ARCpoint Labs Business and is responsible for making decisions for the Franchisee.

~~1.061.07~~ **“Manual”** means ~~the System Standards and~~ Franchisor’s confidential operations and proprietary manual and any other items as may be provided, added to, changed, modified, or otherwise revised by Franchisor from time to time that contain or describe the standards for developing and operating an ARCpoint Labs business, which may include, without limitation, requirements regarding business formats, pricing, methods, procedures, and signage, equipment, services, products, standards, specifications of the System, including other operations, administration and managers’, management, marketing, and use of the Marks. The Manual may consist of one or more separate manuals and all books, computer programs, password protected portions of an Internet site, pamphlets, memoranda, and other publications prepared by, or on behalf of, Franchisor; other materials as designated by Franchisor as being part of the Manual, and may be in written or electronic form, or both.

“Marks” is defined in the Preamble;

“Meetings” is defined in Section 8.8;

“Minimum Brand Fund Contribution” is defined in in Section 3.4.1;

“Minimum Royalty” is defined in Section 3.3.1;

“Monthly Technology Fee” is defined in Section 3.5.1;

“NAC” is defined in Section 11.4;

“NDASA” is defined in Section 8.2;

~~1.07~~1.08 “Onsite/Online Operations” means Franchisee’s business of (a) subcontracting with an approved online customer intake and test scheduling platform to permit clients to schedule laboratory services at a variety of collections sites; and (b) providing certain testing, screening and related services and products on-site at clients’ or approved third parties’ businesses located within the Territory;

~~“Operations Visit” is defined in Section 8.6;~~

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

~~“Territory” means the geographic area described in Section 2.5.1;~~

~~“Renewal Conditions” is defined in Section 4.2;~~

~~“Renewal Consent” is defined in Section 4.3.1;~~

~~“Renewal FDD” is defined in Section 4.3.1;~~

~~“Renewal Notice” is defined in Section 4.2.1;~~

~~“Renewal Term” is defined in Section 4.2;~~

~~“Royalty” is defined in in Section 3.3.1;~~

~~“Shadowing Visit” is defined in Section 8.1.~~

~~1.08~~1.10 ~~“Successor Franchise Attachment I to this Agreement” is defined in Section 4.2.7;~~

~~“System” is defined in the Preamble;~~

~~“System Standards” is defined in Section 10.1;~~

~~“Territory” is defined in in Section 2.4;~~

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

~~“Training Milestones” is defined in Section 8.7;~~

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

1.10.1.13 “Transfer” means for Franchisee (or any sale, assignment, conveyance, pledge, mortgage, sublicense, or owner of Franchisee) to voluntarily or involuntarily transfer, whether by operation of law or otherwise, sell, or dispose of, in any interest in single or series of transactions, (i) substantial assets of the Franchised Business, (ii) this Agreement, the ARCpoint Labs Business, the Accepted Location used in operating the ARCpoint Labs Business, its assets, or any part or all of the (iii) any direct or indirect ownership interest of more than 25% in Franchisee; and, or (iv) control of the Franchised Business.

~~“URLs” is defined in Section 11.3.~~

2. GRANT OF FRANCHISE; ACCEPTED LOCATION

Grant of License. Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, ~~upon the terms and conditions of this Agreement,~~ a revocable, non-exclusive, limited license to use the Marks and System to operate ~~one ARCpoint Labs~~ the Franchised Business by conducting: (a) Lab Operations at ~~an Accepted Location~~ the Premises within the Territory, and (b) Onsite/Online Operations within the Territory.

1.1 Accepted Location

2.01 Franchisee shall operate the Franchised Business for the entire term of this Agreement. Franchisee shall select ~~an Accepted Location~~ the Premises within the Territory according to the process described in Section ~~5.2~~ 10.02, the Manual, and any other writing by Franchisor. Franchisee may operate the Lab Operations portion of the ~~ARCpoint Labs~~ Franchised Business only at the ~~Accepted Location~~ Premises within the Territory.

1.2 Sub-franchising/Agents

2.02 ~~Franchisee has no~~ Modification of System. Franchisor reserves the right to sublicense the Marks to any person or entity. Except as may be permitted pursuant to Section 17, periodically modify any part of the System and the System standards. Franchisee shall, at its own expense, comply with any such changes.

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

3. TERM AND RENEWALS

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

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

3.03 Right of Refusal to Renew. Franchisor has the right to perform any part of refuse to renew Franchisee’s rights or license if Franchisee:

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

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

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

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

~~1.3 Territory~~

~~Franchisor grants Franchisee a protected territory based on the designated zip codes as set forth in Schedule 2 (“Territory”) to this Agreement. Except as set forth in Section 4.1 and Section 15.1.11, once established and unless otherwise agreed to in writing, the boundaries of the Territory will not be adjusted regardless of whether any of the relied upon data used for defining the Territory changes over time.~~

(e) _____ Franchisor will not license the right to another franchisee to open and fails to renovate and modernize the Franchised Business, including décor, signs, and equipment, to reflect the then-current image of Franchisor; or

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

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

4. LOCATION AND TERRITORY

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

~~2.02~~4.02 _____ Territory. Subject to Section 4.03, during the term of this Agreement, Franchisor will not own, operate an or license a third party to operate any other “brick and mortar” business under the “ARCpoint Labs Business nor will Franchisor operate a business under the Marks” Mark from an address within the Territory, provided that Franchisee is not in default under the terms of the Franchise Agreement. Notwithstanding the foregoing, as of the Effective Date, clients in the Territory may exist that: (a) are already being serviced by another franchisee ARCpoint Labs business, either directly or as a TPA, or (b) may be serviced by another franchisee ARCpoint Labs business as a TPA in the future due to the location of the client’s headquarters. Franchisee may not be able to provide services to those clients. Though

Franchisor strives to keep an accounting of clients, Franchisor may not be aware of all accounts being serviced within a Territory.

~~1.4 Reservation of Rights Reserved to.~~ Notwithstanding any rights granted to Franchisee, Franchisor

~~4.03 Except as expressly limited by Section 2.4 above, Franchisor and its Affiliates retain all rights with respect~~ reserves the right to:

(a) own or operate, or license others to own or operate ARCpoint Labs businesses, the Marks, and at any location outside of Franchisee's Territory, regardless of the sale or provision any identical, proximity to the Premises;

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

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

(d) develop, merchandise, sell and any other activities license others to sell products and services bearing the Marks including the products and services offered at ARCpoint Labs businesses through alternative channels of distribution both inside or outside of Franchisee's Territory (other than at the Premises), including, but not limited to, television, mail order, catalog sales, wholesale sale to unrelated businesses, or over the Internet. Franchisor exclusively reserves the Internet as a channel of distribution for Franchisor or its Affiliates deems appropriate whenever and wherever as described in Section 9.04, and Franchisee may not independently market on the Internet or conduct e-commerce or Pay-Per-Click advertising, other than as approved by Franchisor or its Affiliates desire. Specifically, but without limitation,;

conduct marketing activities, including implementing multi-area marketing programs which may allow Franchisor ~~and its Affiliates reserve the following rights:~~

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

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

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

TPA Accounts in the future. In addition, if Franchisee provides any services to ~~an account of~~ Franchisor or ~~Affiliate account-its affiliate~~ in the Territory, Franchisee will also be entitled to a ~~“Collection Payment”~~ collection payment in an amount commensurate with the service performed and as set forth by ~~the~~ Franchisor in writing from time to time for the performance of those services.

~~1.4.1 — To operate, and grant others the right to operate, ARCpoint Labs Businesses located anywhere outside the Territory under any terms and conditions they deem appropriate regardless of proximity to the Territory;~~

~~1.4.2 — To provide, offer, or sell and to grant others the right to provide, offer or sell products and services that are identical or similar to and/or competitive with those products and services provided at ARCpoint Labs Businesses, whether using the Marks or other trademarks or service marks, through any other channels of distribution other than a dedicated ARCpoint Labs brick and mortar retail location, (including, without limitation by electronic means such as the Internet and websites or similar electronic media or telemarketing we or our Affiliates may establish, or other direct marketing sales) inside or outside the Territory under any terms and conditions they deem appropriate;~~

~~1.4.3 — To market and offer Franchisor’s e-commerce services and online laboratory services for sale within the Territory;~~

~~1.4.4 — To operate, or grant others the right to operate, businesses providing services similar to those offered through the ARCpoint Labs Business inside and outside the Territory under trademarks different from the Marks under any terms and conditions they deem appropriate;~~

~~1.4.5 — To acquire the assets or ownership interests of one or more businesses providing products and services the same or similar as those provided by ARCpoint Labs Businesses, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating (including in the Territory);~~

~~1.4.6 — To be acquired (regardless of the form of transaction) by a business providing products and services the same as or similar to those provided at ARCpoint Labs Businesses, or by another business, even if such business operates, franchises, and/or licenses Competitive Businesses within the Territory; and~~

~~1.4.7 — Engage in any activities not expressly forbidden by this Agreement.~~

1.5 Rights Upon Franchisee Default

Franchisee acknowledges that if Franchisee commits an Event of Default under this Agreement, or is unable or unwilling to provide necessary products or services under this Agreement, Franchisor or its Affiliates may, in addition to the remedies set forth in Section 15 of this Agreement:

~~1.5.1 — establish or operate, and grant others the right to establish or operate, ARCpoint Labs Businesses inside the Territory or service accounts within the Territory;~~

~~1.5.2 — allow other ARCpoint Labs Businesses or third parties to service accounts within the Territory;~~

~~1.5.3 — establish or operate, and grant others the right to establish or operate, other businesses within the Territory offering the same or similar products utilizing the Marks; and~~

~~1.5.4 — reduce the size of the Franchisee's Territory.~~

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

2.034.04 Marketing and Solicitation Restrictions

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

(b) Franchisee is prohibited from directly or indirectly soliciting or marketing to potential B2B Customers located outside of the Territory through any channel, including but not limited to the search engine optimization or Pay-Per-Click programs via the Internet (other than Franchisee's ARCpoint Labs business website and social media and marketing managed by Franchisor's approved vendors), catalog sales, or telemarketing, without prior written approval from Franchisor or the ~~franchisee who~~ARCpoint Labs business that owns the applicable territory. Notwithstanding the foregoing, Franchisee may market to group purchasing organizations and other professional organizations that include members in ~~Franchisee's~~the Territory and in territories belonging to other ~~franchisees~~ARCpoint Labs businesses, provided that Franchisee complies with the following requirements: ~~1)~~(i) Franchisee must notify Franchisor and the other ~~franchisees~~ARCpoint Labs businesses with territories that may encompass the organization's memberships in advance by email and invite the other ~~franchisees~~ARCpoint Labs businesses to participate in the marketing activities; and ~~2)~~(ii) any accounts or customers that are derived from the organization will be serviced as an account or customer of the ~~franchisee~~ARCpoint Labs business within whose territory the account or customer is located, unless Franchisor determines otherwise in Franchisor's discretion.

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

(d) If Franchisee establishes an account with a B2B Customer which has its headquarters or ~~PPOB~~principal place of business within the Territory, but due to the location of employees or additional locations will require collection services outside of the Territory, Franchisee may either: ~~(a)~~(i) service the account as a TPA using Franchisor's approved software platform; or ~~(b)~~(ii) request that Franchisor serve as the TPA. If Franchisee services the account as a TPA, Franchisee shall use commercially reasonable efforts to use ARCpoint Labs businesses for collections whenever practicable. Notwithstanding the foregoing, this Section ~~2.7.4.04(d)~~2.7.4.04(d) shall only apply if the B2B Customer's policies and procedures regarding testing and vendor selection are made at the corporate level. Franchisor reserves the right to require that Franchisor or its affiliate serve as TPA for all TPA Accounts in the future.

(e) For any potential state governmental TPA Account, excluding municipal, county, or other government TPA Accounts requiring collections solely within the Territory, Franchisee must notify Franchisor prior to engaging the client. Franchisor may, in its sole discretion, elect to serve as the TPA for such account. For any such account for which Franchisor serves as the TPA, a mutually agreed upon revenue sharing arrangement shall be executed between Franchisor and Franchisee.

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

(g) If Franchisee receives an unsolicited lead for or a direct request for the performance of services or sale of goods from a potential B2B Customer in an unowned territory, Franchisee may not service the potential account without prior written authorization from Franchisor, which may be granted in Franchisor's sole discretion but will not be unreasonably withheld. Factors that Franchisor may consider in determining whether to approve a request under this Section ~~2.7.7~~ include, without limitation, the size and complexity of the account, Franchisee's experience level, the number and proximity of other ~~franchisees~~ ARCpoint Labs businesses near the account, and the potential that the other territory may be ~~granted~~ assigned to a new ~~franchisee~~ ARCpoint Labs business. Upon the sale of the unowned territory, Franchisee may be required to transfer the account to the new ~~franchisee~~ ARCpoint Labs business.

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

~~3.5.~~ FEES AND ROYALTIES

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

~~1.6~~ Initial Franchise Fee

~~Upon execution of this Agreement,~~ Franchisee ~~shall~~ must pay an initial franchise fee ("Initial Franchise Fee") ~~to Franchisor in~~ upon the ~~amounts~~ signing of this Agreement as set forth in ~~Schedule 1.~~ The Initial Franchise Fee is consideration for the pre-opening and ongoing assistance that Franchisor provides to allow Franchisee to open and operate Franchisee's ARCpoint Labs Business, including both Franchisee's Onsite/Online Operations and Lab Operations, as defined in Section 1, use of the Marks, and Franchisor's lost or deferred opportunity to enter into this Agreement with others.

~~3.01~~ 5.02 ~~The Initial Franchise Fee shall be paid by cashier's check, money order, or wire transfer.~~ Attachment I. The Initial Franchise Fee shall be deemed to have been fully earned by Franchisor and is ~~not refundable when paid.~~ Franchisee shall pay all bank or other fees associated with its Initial Franchise Fee payment to Franchisor, ~~when applicable.~~ when paid and is non-refundable.

3.025.03 Training Fees.

(a) Initial Training Fee. Franchisee ~~shall~~must pay ~~a one-time~~an initial training fee (“Initial Training Fee”) in the amount of \$~~127,500~~ upon ~~execution~~the signing of this Agreement. The Initial Training Fee covers ~~all required training for Franchisee and its Designated Manager, if applicable (or the tuition for the initial training program described below in Section 8.01 for Franchisee (or, if Franchisee is an entity, Franchisee’s principal owner contact), Franchisee’s first full-time medical assistant (or phlebotomist) and Franchisee’s Managing Owner and Designated Manager-manager (if Franchisee is an entity)-has hired a manager).~~ Franchisee’s first full-time medical assistant (or phlebotomist) and Franchisee’s Managing Owner and Designated Manager-manager (if Franchisee is an entity)-has hired a manager). The Initial Training Fee shall be deemed fully earned ~~upon execution of this Agreement~~when paid and is non-refundable.

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

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

~~1.6.1 Business Development Training Royalty Fee. Beginning with the first full month after Franchisee must pay Franchisor a one-time business development training fee (“Business Development Training Fee”) of \$5,000 when Franchisee signs the Franchise Agreement. This fee covers the cost of providing sales training for Franchisee and its Designated Manager, if applicable (or Franchisee’s Managing Owner and Designated Manager if Franchisee is an entity). This fee is non-refundable and is not uniformly imposed.~~

1.7 Royalty

~~1.7.1 Amount. Upon commencement of the commences Onsite/Online Operations, Franchisee shall Franchisee must pay to Franchisor a monthly fee equal to seven percent (royalty in the amount of the greater of (i) \$350 or (ii) 7%)% of Gross Sales Revenues for the preceding such month (“Royalty” or “Royalties”). Upon the commencement of Franchisee’s Lab Operations or the deadline by which Franchisee is obligated to commence Lab Operations, whichever is earlier, Franchisee shall pay to Franchisor either Fee”). The Royalty or \$350 per month (“Minimum Royalty”), whichever is greater.~~

~~1.7.2 — Method and Timing of Payment. Franchisee shall pay Royalties (or Minimum Royalty, if applicable) via electronic funds transfer (“EFT”) as provided in Section 3.7 or as Franchisor otherwise directs. Franchisee shall pay Royalties (or Minimum Royalty, if applicable) and submit a Gross Sales report reflecting the previous month’s sales (as required by Section 3.10), on or before the 10th day of each month. Gross Sales reports shall be submitted monthly, beginning with the first Fee for any calendar month is due to Franchisor by the 15th day of the month following the Agreement’s Effective Date (even if a partial such calendar month) regardless of whether Royalties are owed for a particular month.~~

~~1.8 Brand Fund Contribution~~

~~1.8.1 — Amount. Upon commencement of the Onsite/Online Operations, as defined in Section 1, Franchisee shall pay to Franchisor a monthly fee equal to two percent (2%) of Gross Sales for the preceding month (“**Brand Fund Contribution**”). Upon the commencement of the Lab Operations, as defined in Section 1, or the deadline by which Franchisee is obligated to commence Lab Operations, whichever is earlier, Franchisee shall pay to Franchisor either the Brand Fund Contribution or \$100 per month (“**Minimum Brand Fund Contribution**”), whichever is greater. The Brand Fund Contribution is for the purposes of funding the Brand Fund and is in addition to the Royalty and other financial obligations due to Franchisor.~~

~~3.035.04 Method and Timing of Payment. Franchisee shall pay the Brand Fund Contribution (or Minimum Brand Fund Contribution, if applicable) in the same manner and at the same time as the Royalty (or Minimum Royalty, if applicable).~~

~~1.9 Technology and Software Fees~~

~~3.045.05 Monthly Technology Fee. Beginning 60 days after the Effective Date of this Agreement and until Franchisee commences its Lab Operations, Franchisee shall pay a monthly technology services fee (“**Monthly Technology Fee**”) to Franchisor in the amount of \$300 in the same manner and at the same time as the Royalty (or Minimum Royalty, if applicable) Fee payment. Each month after Franchisee commences Lab Operations, Franchisee shall pay a Monthly Technology Fee to Franchisor in the amount of \$450. The Monthly Technology Fee covers ongoing staff support and maintenance of technology systems. Franchisor reserves the right, at its sole discretion, to increase the Monthly Technology Fee in an amount determined by Franchisor, periodically (up to a maximum Technology Fee of \$600), for any reason, including but not limited to an increase in the cost of the items covered by the Monthly Technology Fee, and Franchisee shall pay any increased Monthly Technology Fee as Franchisor directs.~~

~~1.9.1 — Software. Franchisee must pay an operational drug testing software fee to an approved vendor. Franchisee must record all Gross Sales in the financial software Franchisor designates from time to time and operational testing data in approved drug testing software. Franchisee must store all data and information in the software that Franchisor designates, and report data and information in the manner Franchisor specifies. Approved financial reporting software must be installed and updated on the Computer System at all times. Franchisor reserves the right to upgrade, modify, and add new software. Franchisee will be responsible for any costs that result from any upgrades, modifications, or additional software.~~

~~1.9.2 — HIPAA / OSHA Compliance Fee. Franchisee shall pay Franchisor, its Affiliate, or another approved vendor Franchisor may designate from time to time the fee set forth in the Manual or otherwise in writing by Franchisor for the approved software and other technology specified by Franchisor to ensure Franchisee is compliant with the requirements of the Healthcare Insurance Portability and Accountability Act, as may be amended (“**HIPAA**”). This fee also covers~~

~~the cost of cloud-based compliance solution to manage Occupational Safety and Health Act of 1970, as may be amended (“OSHA”) and safety requirements in your ARCpoint Lab Business. The HIPAA / OSHA compliance fee is currently \$350 per year.~~

~~1.10 ——— Electronic Transfer of Franchisee Payments~~

~~Unless otherwise specified in this Agreement or in the Manual, all payments to Franchisor required under this Agreement shall be made by EFT or other similar means utilizing the Computer System. Franchisee agrees to execute and deliver to Franchisor a fully executed authorization form allowing Franchisor to initiate EFT transactions. Franchisee agrees to comply with procedures specified by Franchisor and/or perform such acts and deliver and execute such documents, including authorization for direct debits from Franchisee’s business bank operating account, as may be necessary to assist in or accomplish payment. Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payment of fees and other amounts payable to Franchisor and any interest charged due thereon. Franchisee shall make funds available to Franchisor for withdrawal by electronic transfer no later than the due date. Additionally, if Franchisee is late making a payment, or does not have sufficient funds to transfer to Franchisor for monthly payments, Franchisor has the right to require all future payments by Franchisee be made by cashier’s check, money order, or any other form of payment Franchisor specifies. If any check or EFT payment from Franchisee to Franchisor does not result in the successful conveyance of funds due to insufficient funds, stop payment instructions, or any similar event that is not the fault of Franchisor or a third party involved in the transaction, Franchisee shall pay, upon demand, a non-sufficient funds fee no greater than \$100 per occurrence, or the highest amount allowed by law. Franchisee must reimburse Franchisor for any fees incurred due to Franchisee’s late payment. Once established, Franchisee shall not disallow any required monthly payments to Franchisor without Franchisor’s written consent.~~

~~1.11 ——— No Offset~~

~~Franchisee must make all payments due Franchisor, including, without limitation the Royalty (or Minimum Royalty, if applicable), without offset, credit, or deduction of any nature. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor’s right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee’s past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.~~

~~1.12 ——— Gross Sales Reports~~

~~Franchisee shall maintain an accurate record of Gross Sales and shall deliver to Franchisor a signed and verified statement of Gross Sales (“**Gross Sales Report**”) for each month in a form and through a method that Franchisor approves or provides in the Manual. The Gross Sales Report for the preceding month must be provided to Franchisor by the close of business on the tenth (10th) day of each month. If the tenth (10th) day of the month falls on a weekend, Franchisee shall submit the Gross Sales Report on the next business day. Notwithstanding the timely filing of the monthly Gross Sales Report, Franchisee shall pay Royalties as set out in Section 3.3 above and shall incur interest and late fees pursuant to Section 3.11 below.~~

1.13 — Failure to Report

~~If Franchisee has not timely reported the Gross Sales to Franchisor for any reporting period, then Franchisor shall be authorized, at Franchisor's option, to debit Franchisee's account in an amount equal to: (a) the fees transferred from Franchisee's account for the last reporting period for which a report of the Gross Sales was provided to Franchisor as required hereunder; or (b) the amount due based on information retrieved from the Franchisor approved financial reporting software. Franchisee shall not subordinate to any other obligation its obligation to pay the Royalty (or Minimum Royalty, if applicable) or any other fee or charge due Franchisor or any of its Affiliates. Franchisor has the right to periodically specify (in the Manual or otherwise in writing) different payees and/or payment methods for any payments due to Franchisor or its Affiliates or designees, such as, but not limited to, payment by auto draft, credit card, and payment by check. If any payment is made to Franchisor by credit card for any fee required, Franchisor may charge a service charge up to 4% of the total charge.~~

1.14 — Interest and Late Fees

~~A late fee of \$100 or 18% per annum or the highest rate allowed by law, whichever is greater, per occurrence, will be added to all amounts due from Franchisee that are not received by Franchisor by the due date. Further, Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due Royalties (or Minimum Royalty, if applicable), Brand Fund Contributions (or Minimum Brand Fund Contribution, as applicable), or any other amounts due Franchisor, including reasonable accounting and legal fees.~~

~~A late fee of \$100 per occurrence will also be added for each Gross Sales report and financial report required that have not been submitted when due, and an additional \$100 will be added per month until such time as Franchisee submits the required report.~~

1.15 — Application of Payments

~~Notwithstanding any designation by Franchisee, Franchisor shall have the sole discretion to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalties (or Minimum Royalty, if applicable), Brand Fund Contributions (or minimum Brand Fund Contributions, as applicable), purchases from Franchisor, or any other amount owed to Franchisor.~~

1.16 — Records

~~During the Term, Franchisee shall maintain full, complete, and accurate electronic books, records, and accounts on the Computer System in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the Term, and for seven (7) years thereafter, all books and records related to the ARCpoint Labs Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law. Franchisor retains the right to outsource all accounting functions to a third party at negotiated prices. Franchisor may also require Franchisee to syne its Computer System with software designated by the Franchisor from time to time or periodically during the Term.~~

1.17 — Financial Statements

~~Franchisee shall supply monthly to Franchisor on or before the end of the following month in a form approved by Franchisor, an electronic copy of its balance sheet as of the end of the preceding month~~

~~and an electronic copy of the income statement for the preceding month and the fiscal year to date. Franchisee shall, at its expense, submit to Franchisor within forty five (45) days after the end of each calendar year, an electronic copy of its income statement for the calendar year just ended and an electronic copy of its balance sheet as of December 31 of such year. Such financial statements shall be prepared in accordance with GAAP applied on a consistent basis. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Manual or otherwise in writing. Franchisor may require that these financial statements be submitted by syncing Franchisee's Computer System with software designated by the Franchisor from time to time or periodically during the Term.~~

1.18 — Other Reports

~~Franchisee shall submit to Franchisor electronic copies of all state sales tax returns required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Manual. Franchisor shall have the right to release financial and operational information relating to the ARCpoint Labs Business to Franchisor's current or prospective lenders or investors. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.~~

1.19 — Computer System

~~Franchisee is required, at Franchisee's expense, to purchase or lease, and thereafter maintain and upgrade and use, only such computer(s), hardware (including, without limitation, laptops), software (including, without limitation, point of sale software), firmware, web technologies or applications, required dedicated internet access and power lines, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation, as Franchisor specifies in the Manual or otherwise in writing (collectively the "**Computer System**"). Franchisee is solely responsible for all costs associated with the Computer System, including, without limitation license and usage fees, and costs of installation, maintenance, upgrading, updating, or support. Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable within the Term. Franchisee agrees that Franchisor will have the right to establish, in writing, new standards for the implementation of technology in the Computer System, and Franchisee agrees to comply with all modifications or changes to the Computer System that that Franchisor establishes from time to time. These upgrades or additions may result also result in an increase to the Monthly Technology Fee.~~

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

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

payments (“**Electronic Payment Requirements**”). Franchisee must use vendors (and may be required to use one or more Approved Suppliers) to provide security services that are consistent with PCI DSS, FACTA and applicable Electronic Payment Requirements.

1.20 — Right to Inspect

Franchisor or its designee has the right, at any time during Franchisee’s normal business hours, to examine, copy and audit the electronic data and records, books, other records, and tax returns of Franchisee (collectively “**Business Records**”). Franchisee agrees to cooperate fully with Franchisor’s representatives and independent accountants in any audit. Also, if Franchisor requests a copy of any customer information or Business Records, Franchisee must provide records in the format designated by Franchisor within five (5) days of receiving Franchisor’s request.

If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by the law of the state where Franchisee is located, whichever is higher). If an audit or other inspection is necessary due to Franchisee’s failure to furnish reports, Business Records, or other information as required, or to furnish these items on a timely basis or if an audit discloses an underpayment of three percent (3%) or more of the amount due for any period covered by such audit, or if an audit discloses that Franchisee has conducted business in another Franchisee’s territory without that Franchisee’s written consent, or if an audit discloses that Franchisee has conducted business in an unowned territory without Franchisor’s written consent, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys’ fees). These remedies are in addition to our other remedies and rights under this Agreement and applicable law. The foregoing remedies shall be in addition to any other remedies Franchisor may have. If no discrepancies are found, Franchisor shall incur the cost for the audit.

1.21 — Release of Records

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

2 — TERM AND RENEWAL

2.1 Term

The initial term of this Agreement will commence on the date that Franchisee begins Onsite/Online Operations of the ARCpoint Labs Business and will expire ten (10) years from that date (the “**Initial Term**”); unless sooner terminated by Franchisor pursuant to Section 15.

~~2.2 Renewal Term and Conditions~~

~~Franchisee may, but is not obligated to, renew this Agreement for an additional 10-year term (the “Renewal Term,” together with the Initial Term, the “Term”), provided that Franchisor consents to the renewal and provided further that Franchisee has satisfied each of the following conditions (all of which shall be referred to as the “Renewal Conditions”), as determined by Franchisor in its sole discretion:~~

~~2.2.1 Franchisee gives written notice of its intent to renew (“Renewal Notice”) to Franchisor not less than nine (9) months nor more than twelve (12) months prior to the end of the Initial Term;~~

~~2.2.2 Prior to sending the Renewal Notice and for the remainder of the Initial Term, Franchisee:~~

- ~~(i) has complied and continues to comply with all material provisions of this Agreement and any other agreement between Franchisor and Franchisee;~~
- ~~(ii) has timely made and continues to timely make all monetary obligations owed by Franchisee to Franchisor (or any Affiliate); and~~
- ~~(iii) is not in default of any provisions of any other agreement relating to the operation of the ARCpoint Labs Business with any third party, including without limitation, Franchisee’s landlord, lenders, creditors, vendors, or suppliers, if any;~~

~~2.2.3 Franchisee has secured the right to remain in possession of the Accepted Location, or a suitable substitute location approved by Franchisor, for the Renewal Term, and provided Franchisor a copy of any lease documents providing evidence of this right;~~

~~2.2.4 If required by Franchisor, Franchisee agrees in writing to remodel the Accepted Location to meet Franchisor’s then current standards for franchised businesses within 3 months after the expiration date of the Initial Term;~~

~~2.2.5 Franchisee has not received more than two (2) notices of Events of Default from Franchisor during the Initial Term;~~

~~2.2.6 Franchisee meets Franchisor’s then current standards for accepting new franchisees, including, without limitation, credit worthiness, access to capital, and criminal history;~~

~~2.2.7 Franchisee executes Franchisor’s then current form of franchise agreement and ancillary documents, (including Owners Agreement and other guaranty, all with appropriate modifications to reflect the fact that the franchise agreement relates to the grant of a renewal franchise) (“Successor Franchise Agreement”), which Successor Franchise Agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty, Minimum Royalty, Brand Fund Contribution, or Minimum Brand Fund Contribution; provided, however, that the boundaries of the Territory will not change unless the Territory is larger than the territories that Franchisor is granting to new franchisees at the time of Franchisee’s renewal, in which case Franchisor may reduce the size of the Territory; and provided further that Franchisee shall not be required to pay the then current Initial Franchise Fee, Initial Training Fee, and any other initial fees that Franchisor deems unnecessary for an existing Franchisee;~~

~~2.2.8 — Franchisee pays Franchisor a renewal fee of \$5,000;~~

~~2.2.9 — Not later than ninety (90) days prior to the expiration of the Initial Term, Franchisee has complied with Franchisor's then current training qualifications for a new franchisee, except that Franchisee shall not pay any fees associated with this training other than travel expenses and any actual costs Franchisor realizes for the training; and~~

~~2.2.10 — Franchisee executes a general release in the form Franchisor specifies.~~

~~2.3 Renewal Procedure.~~

~~2.3.1 — Effect of Renewal Notice. Within thirty (30) days after receipt of Franchisee's Renewal Notice, Franchisor will determine whether, at the time of receiving the Renewal Notice, Franchisee has complied with all the Renewal Conditions, and after making its determination deliver to Franchisee, one or more of the following:~~

~~(a) — If Franchisee has met the Renewal Conditions, then Franchisor will provide: (i) its written consent to Franchisee's Renewal Notice (the "**Renewal Consent**"), which shall be contingent and conditioned upon Franchisee's continued and ongoing satisfaction of the Renewal Conditions, and (ii) a copy of its then current Franchise Disclosure Document, including the Successor Franchise Agreement (the "**Renewal FDD**"), which Franchisee shall acknowledge receipt of in writing;~~

~~(b) — A request for additional information to assist Franchisor in determining whether Franchisee has met the Renewal Conditions; or~~

~~(c) — Franchisor's notice of non renewal based upon Franchisee's failure to satisfy the Renewal Conditions.~~

~~2.3.2 — Franchisee Obligations upon Receipt of Renewal Consent. If Franchisor provides Franchisee with its Renewal Consent, then Franchisee shall:~~

~~(a) — No sooner than fourteen (14) days but no more than twenty (20) days after receipt of the Renewal FDD, notify Franchisor in writing as to whether Franchisee elects to execute the Successor Franchise Agreement ("**Election Notice**");~~

~~(b) — Prior to the expiration of the Initial Term, but in no event more than seven (7) days before such expiration date, return to Franchisor executed copies of both the Successor Franchise Agreement and the general release.~~

~~2.4 Failure to Execute Successor Franchise Agreement.~~

~~If Franchisee fails to sign the Successor Franchise Agreement by the date this Agreement expires or sooner, Franchisor may, in its sole discretion, either:~~

~~(a) — revoke Franchisor's Renewal Consent, thereby eliminating and nullifying Franchisee's option to renew; or~~

~~(b) — charge Franchisee \$50 per day for every day the Successor Franchise Agreement is not signed after this Agreement has expired, provided that the Franchisee~~

~~must continue to comply with the terms and conditions of this Agreement if Franchisor allows such continued operation beyond the expiration date.~~

~~2.5 Failure to Comply with Renewal Conditions~~

~~In the event that Franchisor determines, in its sole discretion, that Franchisee has failed to satisfy any of the conditions set forth in Section 4.2 herein, then: (a) Franchisee shall be deemed to have elected not to renew this Agreement; and (b) if Franchisor has previously approved the Renewal Notice, such approval shall be deemed automatically rescinded without further notice or action by Franchisor, subject to applicable Legal Requirements.~~

~~3 DEVELOPMENT AND OPENING OF FRANCHISED BUSINESS~~

~~3.1 Opening of Onsite/Online ARCpoint Labs Business Operations~~

~~Within sixty (60) days of the Effective Date, Franchisee shall open its ARCpoint Labs Business in the Territory for Onsite/Online Operations. During such Onsite/Online Operations, Franchisee shall be responsible for diligently performing its remaining obligation to open an Accepted Location for the operation of Lab Operations under this Section 5. Franchisee acknowledges and understands that it shall not be permitted to perform patient collections or other laboratory services at any site or location other than an Accepted Location or on-site at the client's or approved third parties' location.~~

~~3.2 Selection of Site for Lab Operations~~

~~3.2.1 Site Selection Criteria. Immediately following the opening of its Onsite/Online Operations, Franchisee shall promptly select a site for the ARCpoint Labs Business that meets Franchisor's then current requirements as outlined in the Manual. Franchisor shall provide Franchisee with its approved site selection vendor with general guidelines to assist Franchisee in selecting a site suitable for the Accepted Location, which Franchisee may elect to use. Franchisor recommends, but does not require, that Franchisee utilize the services of this vendor to assist in selecting the site, unless Franchisee requests an extension of the deadline to obtain acceptance of the site as set forth in Section 5.2.3 below.~~

~~3.2.2 Acceptance of Site. Franchisee shall notify Franchisor of its site selection per Franchisor's guidelines outlined in the Manual. Franchisor shall evaluate the site and notify Franchisee of the site's acceptance or rejection within thirty (30) days of receiving notice from Franchisee. If Franchisor accepts such selection, the site will be designated as the Accepted Location. If Franchisor rejects such selection, Franchisee shall select a new site by the deadline to obtain Franchisor's acceptance as set forth in Section 5.2.3. Franchisor's acceptance of a site is only an indication that the site meets Franchisor's criteria for a site, not a representation or warranty of the site's success.~~

~~3.2.3 Deadline. Franchisee must submit a site for Franchisor's acceptance, and obtain Franchisor's written acceptance of the same, within six (6) months of the Effective Date. Franchisee may request an extension of this deadline, which Franchisor may grant in Franchisor's sole discretion; provided, however, that any extension will be conditioned on Franchisee working with Franchisor's approved site selection vendor.~~

~~3.3 Lease of Accepted Location~~

~~After the designation of the Accepted Location, Franchisee shall execute a lease for, or a binding agreement to purchase, the Accepted Location. Prior to execution of any lease, Franchisee shall have the lease reviewed by its own attorney. Neither Franchisor's review of the lease to ensure inclusion of its lease requirements or for other reasons as Franchisor deems appropriate or as requested by Franchisee, nor any advice or recommendation offered by Franchisor regarding the lease, shall constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisee acknowledges and agrees that Franchisee shall solely rely on its own decisions made after the lease has been reviewed by its own attorney. Franchisor shall not unreasonably withhold its acceptance of the lease. Franchisor shall be entitled to require that nothing therein contained is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee must use commercially reasonable efforts to have Franchisee's landlord to execute Franchisor's form Lease Addendum, a copy of which is attached to this Agreement as Schedule 6, or amend the lease to contain such provisions as Franchisor may reasonably require, including, but not limited to, a provision:~~

~~3.3.1 — reserving to Franchisor the right, at Franchisor's election, to receive an assignment of the leasehold interest without payment of any assignment fee or similar charge and without any increase in rent or other fees upon termination or expiration of the Franchise grant, and providing that the lessor agrees that, before the effective date of any assignment of the lease to Franchisor (or its designee), Franchisee shall be solely responsible for all obligations, debts, and payments under the lease;~~

~~3.3.2 — expressly permitting the lessor of the premises to provide Franchisor all sales and other information lessor may have obtained or received relating to the operation of the ARCpoint Labs Business, as Franchisor may request;~~

~~3.3.3 — requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor, in its sole discretion and sole option, the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of Franchisee's cure period;~~

~~3.3.4 — requiring the lessor to provide Franchisor (at the same time lessor provides to Franchisee) a copy of all lease amendments and assignments, and a copy of all letters and notices lessor sends to Franchisee relating to the lease or the leased premises;~~

~~3.3.5 — permitting Franchisor to enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect the System and the Marks without being guilty of trespass, or other tort or other crime;~~

~~3.3.6 — allowing Franchisee to display the Marks in accordance with the System Standards, subject only to the provisions of applicable law;~~

~~3.3.7 — prohibiting the premises from being used for any purpose other than the operation of the ARCpoint Labs Business;~~

~~3.3.8 — stating that any default under the lease shall constitute a default under this Agreement;~~

~~3.3.9 — stating that upon default of this Agreement, Franchisor (or its designee) has the right to take possession of the premises and operate the ARCpoint Labs Business;~~

~~3.3.10 — allowing Franchisor, upon expiration and non-renewal or termination of the lease, to enter the premises and remove any signs containing the Marks and trade fixtures; and~~

~~3.3.11 — a provision stating that lessor shall not amend or otherwise modify the lease in any manner that would affect any of the foregoing provisions to be included in the lease set forth above without Franchisor's prior written consent.~~

3.4 Development of Accepted Location

~~Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the development of an Accepted Location for an ARCpoint Labs Business, which may include specifications for exterior and interior design and layout, fixtures, equipment, décor, and signs. Such specifications are subject to alteration as may be necessary in Franchisor's sole discretion. In connection with the development of the Accepted Location, prior to opening pursuant to this Section 5.4, Franchisee shall:~~

~~3.4.1 — employ a competent licensed architect, or general contractor or engineer to prepare, for Franchisor's approval, preliminary plans, and specifications for improvement of the Accepted Location adapted from the specifications furnished by Franchisor;~~

~~3.4.2 — obtain all permits, zoning classifications, licenses, or clearances necessary to comply with all Legal Requirements, and submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications;~~

~~3.4.3 — obtain all building, utility, sign, health, and business permits and licenses, and any other permits and licenses required for the build-out and operation of the ARCpoint Labs Business and certify in writing and provide evidence to Franchisor that all such permits and certifications have been obtained;~~

~~3.4.4 — employ a qualified, licensed general contractor, approved by Franchisor to complete construction of all required improvements to the Accepted Location;~~

~~3.4.5 — purchase and install all equipment, signs, furniture, and fixtures, including any point-of-sale and computer equipment, required for the operation of the ARCpoint Labs Business; and~~

~~3.4.6 — obtain at least one (1) telephone number and one (1) fax number solely dedicated to the Accepted Location for the ARCpoint Labs Business.~~

3.5 Opening of Accepted Location

~~Franchisee shall comply with the conditions below and commence Lab Operations at the Accepted Location within ten (10) months of the date Franchisee begins Onsite/Online Operations or twelve (12) months of the Effective Date hereof, whichever is earlier. Before opening the Accepted Location and commencing Lab Operations, Franchisee must:~~

~~3.5.1 — fulfill all of the obligations pursuant to the other provisions of this Section 5.5;~~

~~3.5.2 — complete all required training to the satisfaction of Franchisor;~~

~~3.5.3 — furnish Franchisor with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;~~

~~3.5.4 — pay in full all amounts due to Franchisor;~~

~~3.5.5 — do all things necessary to hire and train the personnel required for the operation of the ARCpoint Labs Business, purchase the necessary supplies and equipment, buy the necessary licenses, purchase the required industry services and/or memberships, and otherwise prepare the business for opening as detailed in the Manual, and elsewhere;~~

~~3.5.6 — obtain Franchisor’s permission and approval of an opening date for the Accepted Location, which Franchisor shall not unreasonably withhold. Permission to open shall be based on Franchisor’s determination that Franchisee is ready to open and satisfactorily prepared to operate, including, without limitation, compliance with applicable federal and state Clinical Laboratory Improvement Amendments (“CLIA”) regulations; and~~

~~3.5.7 — if Franchisee is a business entity, cause to be printed on the face of each of its stock certificates or other ownership interest certificates a statement in form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement.~~

~~3.6 Use of Accepted Location~~

~~Franchisee shall not use the Accepted Location for any purpose other than for the operation of an ARCpoint Labs Business in full compliance with this Agreement, the Manual, and all System Standards, unless approved in writing by Franchisor.~~

~~3.7 Relocation~~

~~Franchisee shall not relocate the ARCpoint Labs Business without the prior written consent of Franchisor, which may be withheld or delayed at Franchisor’s sole discretion. If the lease for the Accepted Location expires or is terminated without the fault of Franchisee or if the ARCpoint Labs Business’s premises is destroyed, condemned, or otherwise rendered unusable, Franchisor will allow Franchisee to relocate the ARCpoint Labs Business. Relocation for any other reason will be subject to Franchisor’s approval, which may be withheld in Franchisor’s sole discretion. Any relocation shall be at Franchisee’s sole expense and shall proceed in accordance with the requirements outlined in the site selection and lease provisions described above and the Manual.~~

~~Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If Franchisor and Franchisee do not agree upon a substitute site within ninety (90) days after the lease expires or is terminated or the Accepted Location is rendered unusable, this Agreement will terminate. If Franchisor allows Franchisee to relocate the Accepted Location of the ARCpoint Labs Business, Franchisor may, in Franchisor’s sole discretion, charge Franchisee a relocation fee of \$2,500.~~

~~3.8 Development Milestones~~

~~Franchisee shall: (a) commence its Onsite/Online Operations within sixty (60) days of the Effective Date; (b) secure an Accepted Location within six (6) months of the Effective Date; and (c) commence its Lab Operations at an Accepted Location within ten (10) months of the date Franchisee commences Onsite/Online Operations or twelve (12) months of the Effective date, whichever is earlier. The foregoing obligations (a) —~~

~~(c) are collectively referred to as the “Development Milestones.” Franchisee may request an extension of the Development Milestones in writing, which Franchisor may grant or reject in its sole discretion. If Franchisee fails to meet any of the Development Milestones, Franchisee shall be in default of this Agreement and Franchisor shall be entitled to exercise any and all of its available remedies, including without limitation, termination of this Agreement as provided for in Section 15. If this Agreement is terminated for such failure, Franchisor shall retain the Initial Fees paid by Franchisee. The parties acknowledge and agree that the Initial Franchise Fees retained by Franchisor are in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee’s failure to timely commence operations of the ARCpoint Labs Business and shall not be construed as nor considered to be a penalty.~~

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

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

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

4.6. MARKS

~~3.9 Ownership~~

~~Franchisee acknowledges that Franchisor and its Affiliate are the exclusive owners of the Marks and that Franchisee’s right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, any and all present or future copyrights relating to the System or the ARCpoint Labs concept, including the Manual; building designs, architectural renderings, and construction plans; certain forms, advertisements, images, art, photography, promotional materials, and other written materials that Franchisor produces (collectively the “Copyrights”) belong solely and exclusively to Franchisor. Franchisee has no interest in the Copyrights beyond the non-exclusive license granted in this Agreement. Franchisee’s use of the Copyrights inures to Franchisor’s benefit. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee’s use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire rights in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, right, title, or interest in the Marks to Franchisee. Franchisee shall not, at any time during the~~

~~term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.~~

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

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

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

~~4.01~~6.04 Limitations on Use. Franchisee is hereby required to use the Marks in accordance with Franchisor’s requirements. Franchisee ~~shall~~may not use any ~~Mark or portion of any of the Marks alone or with modifying words, designs or symbols, or any of the words in the~~ Mark as part of ~~any business entity~~a corporate name, or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, meta tags or search techniques except as Franchisor licenses to Franchisee. If Franchisee purchases a URL that includes the Marks (or any similar marks), the URL will become Franchisor’s property and Franchisee must transfer ownership to Franchisor within 15 days of receiving written notice. Purchasing that type of URL or the failure to transfer ownership to Franchisor shall each be a default under this Agreement. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious, assumed name, or “doing business as” (dba) registrations as may be required under applicable law to do business as ~~a~~an ARCpoint Labs business. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark ~~licensed to Franchisor.~~ Franchisee shall include on its letterhead, forms, cards, and other such identification a prominent notice stating that the ~~ARCpoint Labs~~Franchised Business is Franchisee’s “Independently Owned and Operated ARCpoint Labs Franchise.”

~~3.10~~ — ~~Notification of Infringements and Claims~~

~~Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor’s counsel in connection with any such infringement, challenge, or claim; provided, however, Franchisee may communicate with Franchisee’s counsel at Franchisee’s expense. Franchisor shall have sole discretion to take such action as it deems appropriate, including no action, to defend against such claims and has the right to exclusively control any~~

~~litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.~~

~~3.11 — Indemnification for Use of Marks~~

~~Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any of the Marks, provided that Franchisee has timely notified Franchisor of such proceeding and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any of the Marks. This indemnification shall not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks is disputed or challenged by Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.~~

~~3.12 — Discontinuance of Use~~

~~If it becomes necessary, in Franchisor's sole discretion, for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.~~

~~3.13 — Right to Inspect~~

~~To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the ARCpoint Labs Business, Franchisor and its designees have the right to enter and inspect the ARCpoint Labs Business and the Accepted Location at all reasonable times to: observe the manner in which Franchisee renders services and conducts activities and operations and to inspect facilities, equipment, accessories, products, supplies, reports, forms and documents and related data, as well as any software and other aspects of the Computer System to ensure that Franchisee is operating the ARCpoint Labs Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of any product or other inventory items offered for retail sale, used in the preparation of products offered for retail sale or used in rendering services, to test whether such products or items meet Franchisor's then current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the ARCpoint Labs Business and to interview customers and employees and to photograph or videotape the premises. Franchisor's representatives who visit the ARCpoint Labs Business may prepare written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the ARCpoint Labs Business. Franchisor may provide a copy of any such written report to Franchisee and Franchisee shall implement any required changes or improvements in a timely manner.~~

3.14 — Franchisor’s Sole Right to Domain Name

~~Franchisee shall not establish, create, or operate a website, domain name or email address containing the Marks or the words “ARCpoint,” “ARCpoint Labs,” or any variation thereof or any domain name or email address that would be confusingly similar. Franchisor has the exclusive right to advertise on the Internet and create websites using or containing the “ARCpoint” name and any other Mark. Franchisor is the sole owner of all right, title, and interest in and to such names.~~

4 — CONFIDENTIAL INFORMATION

4.1 Requirement of Confidentiality

~~Franchisor will disclose Confidential Information to Franchisee during the Term, including through the Manual, training program, and as a result of guidance furnished to Franchisee. Franchisee shall not acquire any interest in the Confidential Information, other than the right to utilize it in the development and operation of the ARCpoint Labs Business and in performing its duties during the Term. Franchisee acknowledges that the use or duplication of the Confidential Information in any other business venture would constitute an unfair method of competition and would result in irreparable harm to Franchisor that is difficult to calculate. Franchisee acknowledges that the Confidential Information is proprietary, includes Franchisor’s trade secrets and is disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, legal representatives, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), of Franchisee) (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during and after the Term; (c) shall not make any unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Confidential Information by any of them.~~

4.2 Additional Developments

~~All ideas, concepts, techniques, or materials concerning the ARCpoint Labs Business, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and will be deemed the sole and exclusive property of Franchisor and works made for hire for Franchisor, and no compensation will be due to Franchisee or its owners or employees. Franchisee agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. At Franchisor’s discretion, such items may be incorporated into the System. To the extent any item does not qualify as a “work made for hire” for Franchisor, Franchisee shall assign ownership of that item, and all related rights to that item, to Franchisor and must sign whatever assignment or other documents Franchisor requests to show Franchisor’s ownership or to assist Franchisor in obtaining intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor’s efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.~~

4.3 Notification

~~If Franchisee: (a) learns about any unauthorized use of the Confidential information or learns of any use of language, a visual image, or recording of any kind that Franchisee perceives to be identical or substantially similar to, any of the Confidential Information, the Manual, our advertising materials, or the~~

~~content and format of our products; or (b) if a third party challenges Franchisee's use of any of the Confidential Information, the Manual, our advertising materials, or the content and format of our products, then Franchisee must notify Franchisor promptly but no later than within two (2) days. Upon receipt of such notification, Franchisor may take whatever action Franchisor deems appropriate, including no action, in our sole and absolute discretion, to protect Franchisor's rights in and to the Confidential Information, the Manual, our advertising materials, or the content and format of our products, which may include payment of reasonable costs associated with the action.~~

~~4.4 Exclusive Relationship~~

~~Franchisee acknowledges that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among ARCpoint franchisees if owners of ARCpoint Labs Businesses and members of their immediate families and households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (or any member of their immediate families and households), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:~~

~~4.4.1 — divert or attempt to divert any business, customer, referral source or supplier of the ARCpoint Labs Business to any Competitive Business in the United States;~~

~~4.4.2 — solicit other franchisees, or use available lists of franchisees, for any commercial purpose other than purposes directly related to the operation of the ARCpoint Labs Business;~~

~~4.4.3 — do or perform any other act injurious or prejudicial to Franchisor, including disparaging Franchisor;~~

~~4.4.4 — engage in, consult for, be employed by, make loans to, have an ownership interest in, or otherwise, directly or indirectly, participate in any Competitive Business anywhere in the United States without the express written consent of Franchisor; or~~

~~4.4.5 — Authorize, assist, or induce another to take any action Franchisee itself would be prohibited from taking in accordance with this Section 7.4.~~

~~4.5 Nondisclosure and Non-Competition Agreements with Certain Individuals~~

~~To the extent permissible by applicable law, any Designated Manager, and, if Franchisee is an entity, any officer that does not own equity in the Franchisee entity, must sign the System Protection Agreement, the form of which is attached to the Franchise Disclosure Document. Any of Franchisee's employees, independent contractors, agents, or representatives that have access to the Confidential Information must execute Franchisor's Confidentiality Agreement, the form of which is attached to the Franchise Disclosure Document, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all Confidentiality Agreements and System Protection Agreements to be signed pursuant to this Section. Said agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein.~~

~~4.6 Reasonableness of Restrictions~~

~~Franchisee acknowledges that the restrictive covenants contained in this Section 7 are: (i) essential elements of this Agreement; (ii) Franchisor would not have entered into this Agreement without them; and (iii) Franchisor entered this Agreement in reliance upon Franchisee's and its owners' covenants to comply with these restrictions. Franchisee acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System, and the Marks. Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable, or otherwise unenforceable. Franchisee further acknowledges and agrees that nothing herein limits Franchisee's or its owner's ability to make a living or conduct business utilizing other skills or business opportunities.~~

~~4.7 Customer Information.~~

~~Franchisee must comply with all System Standards and all applicable Legal Requirements regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality, integrity, and security of Customer Information on the Computer System or otherwise in Franchisee's possession or control and, in any event, employ reasonable means to safeguard the confidentiality, integrity, and security of Customer Information. "Customer Information" means names, contact information, financial information, purchasing history, medical information, market research data, and other personal information of or relating to the customers and prospective customers of the ARCpoint Labs Business. Customer Data does not include medical information collected from customers. Franchisor owns all Customer Data. Franchisee may not sell, transfer, or use Customer Information for any purpose other than as set forth in the Manual.~~

~~4.8 Data Breach Notification.~~

~~If Franchisee learns of an incident that may be a "breach of the security of the system" under Cal. Civ. Code § 1798.82 or any other data breach notification Law, Franchisee must immediately notify Franchisor of the facts that are known about the incident (a "Data Breach"). Although Franchisee is responsible for complying with all data breach notification Legal Requirements and standards applicable to the ARCpoint Labs Business, Franchisor expects that Franchisee will coordinate with Franchisor regarding such incidents where notification to individuals is required before individuals are notified so that Franchisor can be aware of and be prepared to address issues that may affect the System and be in a position to support Franchisee where possible. In the event of an actual or suspected Data Breach, Franchisee grants Franchisor and our designees and agents the right, exercisable in Franchisor's sole and absolute discretion, to conduct an investigation of the incident and to install, run, and maintain any hardware, software, or code on the Computer System or in Franchisee's computer network necessary or advisable to facilitate the investigation and to contain and remediate the incident, and Franchisee agrees to cooperate with Franchisor and to provide Franchisor with any access and information Franchisor may reasonably request for those purposes. Nothing in the preceding sentence shall relieve Franchisee of its obligation to comply with applicable laws, regulations, rules, standards or any equivalent thereof concerning an actual or suspected Data Breach. Franchisee is responsible for any costs or financial losses Franchisee incurs or remedial actions that Franchisee must take as a result of an actual or suspected Data Breach.~~

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

6.06 **Infringement.** If any person or entity improperly uses or infringes the Marks or challenges Franchisee's use or Franchisor's use or ownership of the Marks, Franchisor will control all litigation and

other proceedings and Franchisor has the right to determine whether suit or other proceeding will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. Franchisee must promptly notify Franchisor of any such use or infringement of which Franchisee becomes aware or any challenge or claim arising out of Franchisee's use of any Mark. Franchisee must take reasonable steps, without compensation, to assist Franchisor with any action Franchisor undertakes. Franchisor will be responsible for its fees and expenses incurred in connection with any such action, unless the challenge or claim results from Franchisee's misuse of the Marks in violation of this Agreement, in which case Franchisee must pay Franchisor for its costs and expenses including its attorney's fees.

5.7. ~~MANUAL AND ASSISTANCE~~ CONFIDENTIAL INFORMATION

~~4.9 Initial Training Program~~

~~Franchisee (or Franchisee's Managing Owner, if Franchisee is an entity), and Franchisee's Designated Manager, if applicable, must complete Franchisor's initial training program prior to the commencement of Franchisee's Onsite/Online Operations ("Initial Training"). Franchisee, in Franchisee's sole discretion, may also designate additional employees to complete such training, but in no event shall Franchisor be required to offer Initial Training to more persons than Franchisee and its Designated Manager, if applicable (or Franchisee's Managing Owner if Franchisee is an entity) for each ARCpoint Labs Business ("Required Trainees"). Required Trainees will also be required to spend one and a half days in an assigned ARCpoint Labs location working with the franchisee owner of the location and that franchisee's employees ("Shadowing Visit").~~

~~4.10 — New Owner Support Program.~~

~~Franchisee must participate in Franchisor's New Owner Support Program. The New Owner Support Program consists of up to 40 hours of support for new owners through Franchisee's startup period, including real estate site selection support, regular check-ins with the Onboarding team, calls, visits and shadow opportunities with existing owners, and additional training on individual service lines. Following the New Owner Support Program, Franchisee will be assigned to a Franchise Business Consultant (FBC) who will coach Franchisee through Franchisee's tenure as an ARCpoint Labs Business.~~

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

7.02 Manual. Franchisor will loan to Franchisee during the term of this Agreement one copy of the Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. The Manual will contain both mandatory System standards and recommended standards. Any required System standards exist to protect Franchisor's interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required System standards generally will be

set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required System standards. In some instances, the required System standards will include recommendations or guidelines to meet the required System standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required System standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the System and the Marks, Franchisor reserves the right to determine if Franchisee is meeting a required System standard and whether an alternative is suitable to any recommendations or guidelines.

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

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

8. TRAINING

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

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

8.03 Ongoing Training; Conferences.

(a) A member from Franchisor's operations team will visit the Premises either in person or virtually to assess, train and advise on Franchisee's operational organization ("Operations Visit"). Typically, the Operations Visit will occur during the first quarter following the commencing of Lab Operations of the Business. During this Operations Visit, Franchisor will provide training, facilitate scenarios, and walk through operational processes with Franchisee and

the staff of the Franchised Business. If Franchisee unilaterally cancels or reschedules the Operations Visit, Franchisee shall pay any direct costs and expenses incurred by Franchisor at the point of Franchisee's cancellation.

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

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

8.04 Continuing Assistance. Franchisor will provide ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours, to the extent Franchisor deems appropriate. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

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

4.11 — General Guidance

~~Franchisor will offer general guidance via telephone, webinars, e-mail, facsimile, blog, intranet, newsletters, and other methods as Franchisor sees reasonable and necessary. Franchisor will offer advice and guidance on a variety of business matters, including, authorized services or products, operational methods, system changes, best practices, protocols, accounting procedures, and marketing and sales strategies. Franchisee shall have the sole right to determine the prices to be charged by the ARCpoint Labs Business.~~

4.12 — Additional Assistance

~~If Franchisee wishes to have any additional persons attend any training, or should Franchisee request that Franchisor provides additional training or additional on-site assistance beyond the number of hours included in the Initial Training, Franchisor may agree to provide such training, and Franchisee must pay Franchisor's then-current training fees, plus any expenses or costs associated therewith, and Franchisee is responsible for all the expenses of such persons to attend any training program, including lodging, transportation, food, and similar expenses.~~

4.13 — Visits to ARCpoint Labs Business

~~One member from Franchisor's operations team will visit the Accepted Location either in person or virtually to assess, train and advise on Franchisee's operational organization ("Operations Visit"). Typically, the Operations Visit will occur within thirty (30) days of the opening date of the Accepted Location. During this Operations Visit, Franchisee and its Required Trainees will perform mock training, facilitate scenarios, and walk through operational processes with owner and their staff. If Franchisee unilaterally cancels or reschedules Franchisee's training visit, Franchisee will be billed any direct costs and expenses incurred by Franchisor at the point of Franchisee's cancellation. Franchisee will also be billed at Franchisor's then current rate (currently \$75) per hour during any on-the-job training in which Franchisor's services are requested or utilized for more than the number of hours or people described above.~~

4.14 — Training Milestones

~~Franchisee, and its applicable Managing Owner, Required Trainees, or employees, shall: (a) complete the Initial Training prior to commencing its Onsite/Online Operations; (b) complete the Business Development Training Program within twelve (12) weeks of completing Initial Training; (c) become members of NDASA for at least one (1) year after the Effective Date; (d) complete the Shadowing Visit 15 days prior to opening the Accepted Location, and (e) participate in the Operations Visit within thirty (30) days of the opening of the Accepted Location. The foregoing obligations (a) — (e) are collectively referred to as the "Training Milestones." Franchisor has the right in its reasonable discretion to determine whether Required Trainee have satisfactorily completed all Training Milestones. Franchisee may request an extension of these Training Milestones or to substitute any trainee in writing, which request Franchisor shall grant or reject in its sole discretion. Franchisee must complete these Training Milestones to Franchisor's satisfaction. If a Required Trainee fails to complete any of the Training Milestones to Franchisor's satisfaction, such Required Trainee must re-enroll in our next scheduled applicable training. If, following the Training Milestones and any re-enrollment, none of the Required Trainees have successfully completed training, then Franchisee shall be in default of this Agreement and Franchisor shall be entitled to exercise any and all of its available remedies, including without limitation, termination of this Agreement as provided for in Section 15. If this Agreement is terminated for such failure, Franchisor shall retain any fees paid by Franchisee on account of such training. The parties acknowledge and agree that the fees retained by Franchisor are in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the ARCpoint Labs Business and shall not be construed as nor considered to be a penalty.~~

4.15 — New Designated Manager and Managing Owner

~~If, at any time, after commencing Onsite/Online Operations, Franchisee names a new Designated Manager or a new Managing Owner (as long as the new Managing Member or new Designated Manager meets the requirements in Section 8.7 above), the new Designated Manager or Managing Owner must complete Initial Training and any other training that Franchisor may deem necessary to Franchisor's satisfaction prior to assuming managerial responsibility for the ARCpoint Labs Business. Franchisee is solely responsible for all training fees and costs for the new Designated Manager and Managing Owner which shall equal the then current rate for Franchisee's additional attendees/employees. Franchisee shall be responsible for all travel costs, living expenses and employees' salaries incurred in connection with the Managing Owner or Designated Manager's attendance at such training.~~

4.16 — Franchisee Meetings

~~From time to time Franchisor may provide, and if it does, shall require that the Franchisee (or its Managing Owner, if Franchisee is an entity) or the Designated Manager attend, annual to semi-annual~~

~~meetings, conventions, or seminars (“Meetings”) during the Term. These Meetings shall be for Franchisee’s benefit so as to meet and network with other Franchisees, learn new industry practices, and stay up to date on competitive challenges and opportunities. Franchisor may charge a reasonable fee for attendance at such Meetings to help defray costs, and Franchisee must pay the fee for such Meetings for purposes of offsetting Franchisor’s costs, regardless of whether or not Franchisee attends such Meetings. Franchisor shall not require the Franchisee (or its Managing Owner, if Franchisee is an entity) or Designated Manager to attend more than one Meeting in any calendar year and collectively not more than five (5) days in any calendar year. Franchisee shall be responsible for all travel costs, living expenses and employees’ salaries incurred in connection with the Franchisee (or its Managing Owner, if Franchisee is an entity) or Designated Manager’s attendance at such Meetings.~~

~~4.17 — Employee Training~~

~~Franchisee is required to ensure that Franchisee’s employees are fully training in the area in which they work. All Franchisee’s employees must be trained by ARCpoint certified trainers and must complete such training that Franchisor specifies in the Manual, with the exception of administrative and clerical employees. Franchisee is responsible for the costs of such training, and if Franchisor provide any such training, Franchisee shall pay Franchisor its then current fees for such training, as well as any costs and expenses Franchisor incurs in connection with the training.~~

~~5 — MANUAL~~

~~5.1 Manual Loaned by Franchisor~~

~~While this Agreement is in effect, Franchisor shall loan to Franchisee one (1) copy of the Manual or grant Franchisee access to an electronic or online copy of the Manual, or such other versions as Franchisor may specify. The Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written, electronic form or other form as specified by Franchisor. The Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned upon expiration or termination of this Agreement, in a manner as specified by Franchisor.~~

~~5.2 Revisions to the Manual~~

~~Franchisor has the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures, and rules prescribed by Franchisor. Franchisor may make such additions or modifications known to Franchisee via email, letter, blog, intranet, Internet, or any other reasonable method, without prior notice to Franchisee. Franchisee shall immediately adopt any such changes and shall ensure that if a hard copy is retained on file with Franchisee, its copy of the Manual is up to date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by Franchisor at Franchisor’s headquarters or electronically shall be controlling.~~

~~5.3 Confidentiality of Manual~~

~~The Manual contains Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the Term and after the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Manual is available at the Accepted Location in a current and up-to-date manner. If in paper form or stored on computer-readable medium, Franchisee shall maintain the Manual in a locked receptacle at the Accepted Location, or if in electronic form, Franchisee shall maintain the Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Manual, access to the key or combination of such receptacle or the password to such file (or Internet site, if the Manual is maintained on-line by Franchisor in a password-protected site). Franchisee shall not disclose, duplicate, or otherwise use any portion of the Manual in an unauthorized manner.~~

~~6 FRANCHISE SYSTEM~~

~~6.1 System Standards~~

~~Franchisee acknowledges and agrees that Franchisee's operation and maintenance of the Franchise in accordance with franchise procedures is essential to preserve the goodwill of the Marks and all ARCpoint Labs Businesses. Therefore, at all times during the Term, Franchisee agrees to operate and maintain the ARCpoint Labs Business in strict compliance with all requirements, specifications, standards and operating procedures and rules (collectively, "**System Standards**") as set forth in this Agreement, the Manual or other communications supplied to Franchisee by Franchisor and which Franchisor may periodically modify and supplement during the Term. Franchisee shall accept and use any such changes in, or additions to, the System Standards as if they were a part of this Agreement as of the Effective Date. Franchisee shall make all necessary expenditures as such changes, additions or modifications to the System as Franchisor may require.~~

~~6.2 Variance~~

~~Franchisee agrees that Franchisor has the right to, in its sole discretion and from time to time, approve exceptions or changes to the System Standards for any franchisee (including, without limitation, the amount and payment terms of any fee) that Franchisor deems necessary or desirable based upon that particular franchisee's qualifications, the peculiarities of a particular site or circumstances, the demographics of the trade area, business potential, existing business practices, or any other condition which Franchisor deems to be relevant to a particular ARCpoint Labs Business. Franchisor is not required to disclose or grant to Franchisee the same or a similar variance. Franchisee further agrees and acknowledges that other franchisees, whether existing now or in the future, may operate under different forms of the franchise agreement.~~

~~7 MARKETING AND PROMOTIONAL ACTIVITIES~~

~~7.1 Brand Fund~~

~~Franchisor has established a national marketing/advertising fund ("**Brand Fund**") to develop a system-wide advertising, promotion, and marketing program to enhance the System and Marks. Franchisee acknowledges that other franchisee may not be required to contribute to the Brand Fund, may be required to contribute to the Brand Fund at a different rate than Franchisee or may be required to contribute to a different advertising fund. Franchisee agrees that Franchisor is not a fiduciary with respect to the Brand Fund or Franchisee's Brand Fund Contribution (or Minimum Brand Fund Contribution, if applicable) and the Brand Fund is not a "trust." Franchisor, its Affiliates or designees shall administer the Brand Fund as follows:~~

~~7.1.1 — Franchisee’s advertising and promotion must follow Franchisor’s guidelines. Franchisor’s guidelines regarding advertising are set forth in the Manual and change from time to time. Franchisor shall maintain sole control over all creative concepts, materials, branding standards, and determine placement and allocation of advertisements. Franchisor shall determine in its sole discretion the media to be used, which may vary from time to time, depending on a variety of factors, including, but limited to, the national economy, industry regulation regarding advertising and marketing, and research and advice from outside professionals. Franchisor does not guarantee that any one particular franchisee will benefit directly or in proportion to their contribution from the activities of the Brand Fund. Franchisor may require or permit Franchisee, at Franchisor’s sole discretion, to use a trade name (or d/b/a) in connection with Franchisee’s ARCpoint Labs Business. Any tradename (or d/b/a) that Franchisee uses will be determined by Franchisor in writing. Franchisor may require Franchisee to change Franchisee’s tradename (or d/b/a), even if it was previously approved by Franchisor, at any time and any manner in Franchisor’s sole discretion.~~

~~7.1.2 — Franchisor shall use Franchisee contributions to meet any cost of (a) developing and producing ARCpoint advertising, (b) researching developing and deploying new products and services, (c) educating potential clients about the System through community outreach, education and other initiatives, (d) conducting other activities that are directly or indirectly designed to promote the System, its franchisees, and/or increase System sales, and (e) costs of administering the Brand Fund. Such costs may include: the cost of developing local advertising and marketing promotional materials, creating and implementing television, radio, magazine, newspaper, and digital/online advertising campaigns and other public relations activities (including, but not limited to, for purposes of community outreach and brand reputation management); developing and maintaining the System Website, brand applications and social media accounts; providing marketing support; developing and maintaining the fulfilment portal; creating and providing Manual updates; developing national, regional, or third party administration accounts attending consumer or other end-user trade shows; quality assurance and safety programs; market research; employing advertising agencies, public relations firms, media buyers and creative talent; employing in-house product development, community outreach, sales, advertising, marketing and other professionals to assist in these efforts, and payment of their salaries; and fees we pay to legal, accounting, and other professional advisors to administer the Brand Fund.~~

~~7.1.3 — Franchisor shall maintain the Brand Fund in a separate account from its general operating funds and shall not use them for any of Franchisor’s general operating expenses; provided, however, that Franchisor may use the Brand Fund for reasonable administrative costs and overhead related to the administration of the Brand Fund, including, without limitation, salaries and benefits of personnel with primary responsibility for Brand Fund activities. Franchisor shall not use Brand Fund contributions for the direct solicitation of franchise sales. Franchisor may treat any amounts that it contributes to the Brand Fund as a loan from Franchisor to the Brand Fund. Franchisor has a right to be reimbursed from the Brand Fund any amounts that Franchisor loans to the Brand Fund.~~

~~7.1.4 — Franchisor expects to use all contributions in the fiscal year they are made and intends for the Brand Fund to be perpetual but maintains the right to terminate it if necessary. Franchisor shall not terminate the Brand Fund until all contributions have been used as described this Section 11.1 or have been returned to franchisees on a *pro rata* basis. Franchisor is not obligated to spend any amount on advertising in the geographical area where Franchisee is or will be located.~~

~~7.1.5 — Franchisor assumes no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct, or administer the Brand Fund. Any unused funds in any calendar year will be applied to the following year's funds, and Franchisor reserves the right to contribute or loan additional funds to the Brand Fund on any terms it deems reasonable. The Brand Fund is not audited. Franchisor will provide an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year upon written request.~~

~~7.1.6 — If Franchisee is in default of any of Franchisee's obligations to Franchisor and/or the Brand Fund, or this Agreement is otherwise subject to termination, Franchisee shall have no rights with respect to the Brand Fund, and Franchisor may deny access to any and all programs and/or materials created by and benefits of, the Brand Fund.~~

9. SOLICITATION AND ADVERTISING

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

~~5.02~~ 9.02 Local Advertising Requirement.

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

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

~~5.03~~ 9.03 ~~All local advertising shall be conducted in the manner, style, media, and format, conforming to the System Standards, and shall be approved in advance by Franchisor~~ Advertising and Marketing Materials. Franchisor ~~as set out in the Manual. Franchisor shall~~ will provide Franchisee with access to ~~all advertising and marketing materials which may include, but are not limited to, video and~~

audiotapes, multimedia, print-ready materials, posters, banners, and displays. Franchisee must purchase any advertising and marketing materials, assist in tailoring those products to specified by Franchisor. Franchisee must obtain Franchisor's prior written approval for any use of any marketing or advertising item not specified by Franchisor. Franchisee may develop marketing material for Franchisee's business needs, and provide guidance for own use, at Franchisee's local advertising and marketing program. Franchisee shall not utilize advertising and marketing materials or venues unless first approved by Franchisor own cost. If Franchisee chooses to use its own marketing materials for the Franchised Business, then prior to Franchisee's use of the material, Franchisee must submit the proposed material for pre-approval by a member of the Franchise Success team to ensure they are brand compliant. Franchisor will approve or deny Franchisee's request, in writing, within 30 days following submittal. Franchisor shall retain property right rights in all copyrights in any and all promotional marketing materials that Franchisee develops or are developed for Franchisee. Franchisor reserves the right to utilize any marketing materials developed by Franchisee for the use of all ARCpoint Labs businesses without any payment or other compensation to Franchisee.

7.2-Internet Advertising and Marketing

~~(a) — Franchisee is prohibited from establishing a presence on, or marketing using, the Internet without Franchisor's consent. Franchisor has an Internet website at the uniform resource locator www.arcpointlabs.com and includes at the ARCpoint website an interior page containing all basic and system-wide standard information about Franchisee's ARCpoint Labs Business, with set-up fees for this page being included in Franchisee's local the exclusive right to conduct and manage all marketing and advertising and marketing program. Any requested additions or modifications to this page shall be made to, and pre-approved by, Franchisor with any expenses associated therewith being paid by Franchisee.~~

~~(b) — Franchisor shall retain sole ownership of, control over, all legal right to, and final approval of, all Internet and on the Internet or other electronic media advertising and marketing medium, including but any "social media" marketing. Franchisee shall not be limited to the use of websites, domain names, uniform resource locators ("URLs"), linking, back linking, search engines (and search engine optimization techniques), banner ads, meta-tags, auction sites, e-commerce and co-branding arrangements, coupon sites, etc. These rights also include Franchisor's sole ownership, control and all legal rights to Franchisee's usernames and passwords for all advertising, marketing and conduct such marketing and advertising or establish any social media and other activities utilizing the Marks on the Internet, presence independently, except as Franchisor may ~~direct protocols for Internet marketing through the Manual.~~~~

~~(c) — specify, and only with Franchisor's prior written consent in Franchisor's sole discretion. Franchisee may ~~be requested to~~ provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must ~~follow Franchisor's~~ sign the Internet and intranet and Internet usage rules, policies and requirements, and naming convention, which may change from time to time as the nature of the Internet itself does.~~

~~(d) — Franchisee must comply with agreements when developed by Franchisor. Franchisor ~~requirements (as described)~~ retains the right to approve any linking to or other use of Franchisor's website. Franchisee must follow all blogging and social media policy as outlined in the Manual ~~or otherwise in writing~~ with respect to the transmission of all emails in connection with the ARCpoint Labs Business and in connection with discussing, advertising, marketing, or disseminating any information, or otherwise having a presence,~~

~~on the Internet, or in any other media, regarding the ARCpoint Labs Business. These activities include participation in any Internet “blogs” or social networking sites. Any similar activities which are not expressly permitted in the Manual or otherwise in writing, or for which Franchisee have not previously received Franchisor approval, will be subject to Franchisor approval of advertising and marketing as described above.~~

~~5.049.04 Franchisee is restricted from utilizing the Marks for any marketing, advertising, promotional, or other purpose, in any media (including signage) without Franchisor’s prior written consent. Franchisor maintain an Internet presence for ARCpoint Labs businesses, which will assign the name for Franchisee’s ARCpoint Labs Business, pursuant to Franchisor’s naming convention, upon Franchisee’s signing a lease for, or purchasing Franchisee’s business location, within the Territory, and cannot be modified except by Franchisor. Any name or label associated with the Territory as set out anywhere in this Agreement is not guaranteed to be Franchisee’s ARCpoint Labs Business name and may not be used for any purpose whatsoever other than to denote the Territory in this agreement. Franchisor naming convention is contained in the Manual and shall not be deviated from in any manner whatsoever without Franchisor’s prior written consent. include information regarding the Franchised Business.~~

~~(e) Franchisee shall pay the Brand Fund an unauthorized advertising fee of five hundred dollars (\$500) for each violation of Section 11.3.~~

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

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

deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the National Marketing Fund on any terms Franchisor determines. Franchisor will prepare an unaudited annual financial statement of the National Marketing Fund within 120 days of the close of Franchisor's fiscal year and will make such financial statement available to Franchisee upon request.

~~5.05~~9.07 National Advisory Council: Franchisor has established an ARCpoint Labs Franchise System National Advisory Council (“NAC”) which will enhance communication between ~~the~~ Franchisor and franchisees and serve in an advisory capacity with respect to a variety of issues. The NAC will consist of both franchisees and Franchisor representatives, and members will be selected as provided in the NAC's bylaws. Franchisor reserves the right to form, change, or dissolve the NAC, in Franchisor's sole discretion.

~~8~~ **STANDARDS OF OPERATION**

~~8.1~~ **Authorized Products, Services and Suppliers**

~~8.1.1~~ Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services and products to its customers. Accordingly, Franchisee shall provide only those services, sell only those products, and use only those vendors—including Credit Card Vendors—or suppliers, supplies, signs, equipment, and other products that Franchisor approves in advance (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such products and/or services shall be purchased or distributed only from “**Approved Suppliers**” that Franchisor designates or approves (which might include, or be limited to, Franchisor or its Affiliate). Franchisee shall not provide or offer for sale through the ARCpoint Labs Business or from the Accepted Location any services or products that Franchisor has not first approved.

~~8.1.2~~ Franchisor shall provide Franchisee, in the Manual, or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified products, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or an Affiliate. If Franchisee desires to offer for sale or use any product that Franchisor has not approved (for products that require supplier approval), Franchisee shall provide that supplier with Franchisor's contact information to enable vendor to furnish Franchisor sufficient information, specifications and/or samples for Franchisor, pursuant to the procedures set out in the Manual, to determine whether the product complies with the System Standards, or whether the supplier meets its Approved Supplier criteria. If Franchisor incurs any costs or expenses in connection with evaluating a supplier at Franchisee's request, Franchisee must reimburse Franchisor for its reasonable testing costs regardless of whether the supplier is subsequently approved. Franchisor's approval process generally focuses on the supplier's dependability, general reputation, and ability to provide sufficient quantity of product or services, and the products' or services' prices and quality. Franchisee will be notified within ninety (90) days of Franchisor's approval or disapproval of the particular vendor or supplier. Franchisee will pay all reasonable expenses (approximately \$500 to \$1000) associated with evaluating whether the vendor meets vendor requirements at the time of evaluation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards, and specifications that Franchisor, in its discretion, deems confidential.

~~8.1.3 — Franchisor has the right to designate certain services and products, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right, in its sole discretion from time to time, to give its consent to one (1) or more franchisees to provide certain services or use certain products not authorized for general use as part of the System.~~

~~8.1.4 — Franchisor has the right, if permitted by applicable law, to establish minimum and maximum prices for product services that Franchisee offers to customers in connection with Franchisee's ARCpoint Labs Business, including without limitation resale prices for use with multi-area marketing programs and special price promotions. If Franchisor does not establish such pricing requirements, then Franchisee will have the right to determine the prices it will charge.~~

~~8.1.5 — Franchisor has the right to receive volume rebates, markups, and other tangible monetary amounts from suppliers or distributors or in connection with connection with purchases by Franchisee. Franchisee will have no entitlement to or interest in such benefits, unless otherwise agreed to by Franchisor in writing.~~

10. SITE SELECTION, CONSTRUCTION AND OPENING REQUIREMENTS

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

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

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

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

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

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

10.04 Design and Construction. Franchisee must construct or convert a building and equip the site, at Franchisee's expense, in a good and workmanlike manner as specified by Franchisor. Franchisor will provide Franchisee with standard sample floor layouts and architectural plans. All interior designs, construction, build out or conversion work must be completed by a contractor approved by Franchisor, and in accordance with the standards and specifications of Franchisor, and must conform to all applicable zoning and other requirements of local authorities. Franchisee must submit plans for Franchisor's approval before beginning construction. Franchisor will approve or disapprove the plans within 30 days of submission. Franchisor's approval of the plans in no way constitutes a representation of warranty with respect to the adequacy of the construction or compliance with any applicable laws.

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

11. RECORDS AND REPORTS

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

11.02 Reports.

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

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

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

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

11.03 Business Records of Franchisee. Franchisee shall keep accurate books and records reflecting all activities, expenditures and receipts of the Franchised Business, with supporting documents (including, but not limited to, customer records, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for a period of not less than seven years. Franchisor may specify additional record-keeping requirements in the Manual.

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

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

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

12. OPERATION OF THE FRANCHISED BUSINESS

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

12.02 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time. Franchisor may develop new designs, products and service methods, as Franchisor deems beneficial to the System. Franchisor may require Franchisee to add additional concepts to the Franchised Business in the future, which shall be included in Franchisee's Gross Revenues.

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

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

12.05 Restriction on Services and Products: Approval Process.

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

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

12.06 Suppliers.

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

of any supplier, and Franchisee shall thereafter cease purchasing from such supplier. Franchisor may designate itself or any affiliate as an approved or sole supplier.

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

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

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

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

~~8.1.6 — Franchisor may revoke its prior approval of a supplier if the Approved Supplier fails to meet Franchisor's standards, specifications, and approved supplier criteria. If Franchisor should revoke the approval Franchisor will notify Franchisee in writing and removed the supplier from the approved supplier list. After receipt of the notice, Franchisee must cease using this supplier as soon as practicable.~~

~~8.1.7 — FRANCHISOR AND ITS AFFILIATES EXPRESSLY EXCLUDE AND DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ALL GOODS AND SERVICES THAT FRANCHISOR OR ITS AFFILIATES OFFER, SELL, OR REQUIRE FOR FRANCHISEE'S ARCPOINT LABS BUSINESS. FRANCHISEE'S EXCLUSIVE REMEDY FOR ALL CLAIMS RELATED TO ANY SUCH GOODS OR SERVICES IS (I) LIMITED TO FRANCHISEE'S REMEDIES AGAINST THE GIVEN THIRD PARTY SUPPLIER OR MANUFACTURER (WHICH SHALL NOT INCLUDE OUR AFFILIATES) FOR ANY GOODS OR SERVICES~~

~~THEY PROVIDE, AND (II) FOR ANY OF THE GOODS OR SERVICES THAT FRANCHISOR OR ITS AFFILIATES PROVIDE, LIMITED TO THE PURCHASE PRICE OF SUCH GOODS OR SERVICES, PLUS SHIPPING COSTS, IF ANY, FRANCHISEE PAID; OR, AT FRANCHISOR OR ITS AFFILIATES' OPTION, THE REPLACEMENT OF SUCH GOODS OR SERVICES. FRANCHISOR AND ITS AFFILIATES WILL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, MULTIPLIED, EXEMPLARY, OR PUNITIVE DAMAGES FOR ANY MATTER STATED IN THIS SECTION 12, REGARDLESS OF THE DIRECT OR INDIRECT CAUSE OF THE DAMAGES. This disclaimer of warranties does not affect claims Franchisee may have against third party manufacturers or suppliers of any goods or services for the ARCpoint Labs Business.~~

~~8.2 Appearance and Condition of the ARCpoint Labs Business~~

~~Franchisee shall maintain the premises of the ARCpoint Labs Business and any vehicles, furniture, fixtures, equipment, and signage in "like new" condition and in accordance with the System Standards. Franchisee agrees to repaint the Accepted Location every three (3) years, at Franchisee's own cost. Franchisee also agrees to remodel the Accepted Location every five (5) years, at Franchisee's cost, pursuant to Franchisor's guidelines at the time. The requirements set forth in this Section are in addition to, and do not limit, Franchisee's obligation to add, update, and/or replace components of the ARCpoint Labs Business from time to time as specified in other Sections of this Agreement, including modifications to the System Standards as described in Section 10.1 and renewal terms under Section 4.~~

~~8.3 Ownership and Management~~

~~The ARCpoint Labs Business shall, at all times, be under the direct full-time day-to-day supervision of Franchisee (or Franchisee's Managing Owner, if Franchisee is an entity) or Franchisee's Designated Manager as defined in Section 1 of this Agreement. The Franchisee, its Managing Owner, or Designated Manager, as applicable, shall devote his or her full-time efforts to promote and increase the sales and recognition of services offered through the ARCpoint Labs Business and to the management of the day-to-day operation of the ARCpoint Labs Business, and require all of Franchisee's employees, managers, officers, agents, and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the System. "Full-time" means the expenditure of at least thirty-five (35) hours per week, excluding vacation, sick leave, and similar absences, unless otherwise approved in writing by Franchisor. Franchisee shall immediately notify Franchisor should the identity of its Managing Owner or Designated Manager change and the new Managing Owner or Designated Manager will successfully become an ARCpoint Labs' certified collector within sixty (60) days of his or her hire date.~~

~~8.4 Contributions and Donations~~

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

~~8.5 Licenses and Permits~~

~~Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the ARCpoint Labs Business and shall operate the ARCpoint Labs Business in full compliance with all Legal Requirements, including without limitation compliance with applicable CLIA~~

~~regulations. Franchisee is strictly prohibited from offering services that exceed what is allowed under its CLIA certifications. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the ARCpoint Labs Business. Franchisee shall be solely responsible for investigating and complying with all such Legal Requirements with regard to the operation of the ARCpoint Labs Business.~~

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

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

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

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

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

~~5.06~~12.09 Notification of Proceedings. Franchisee shall notify Franchisor by email of the commencement of any action, suit or proceeding involving Franchisee or the ~~ARCpoint Labs~~Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the ~~ARCpoint Labs~~Franchised Business and provide a copy of any documentation of any such commencement of a suit or proceeding or any order, writ, injunction, award or decree not more than two ~~(2)~~ days after notice of such commencement or issuance. Franchisee shall deliver to Franchisor not more than two ~~(2)~~ days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate, or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule, or regulation.

~~8.6 Compliance with Good Business Practices~~

~~Franchisee acknowledges that the quality of customer service and every detail of appearance and demeanor of Franchisee and its employees is material to this Agreement and the relationship created hereby. Therefore, Franchisee shall endeavor to follow all standards, protocols, and procedures as outlined in the Manual and maintain high standards of quality and service in the operation of the ARCpoint Labs Business. Franchisee shall at all times give prompt, courteous and efficient service to customers of the ARCpoint Labs Business. The ARCpoint Labs Business shall in all dealings with its customers, vendors, and the general~~

~~public adhere to the highest standards of honesty, fair dealing, and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the ARCpoint Labs Business pursuant to this Section (typically, between \$20 and \$100).~~

~~8.7 Other Standards in Manual~~

~~Franchisee shall abide by all System Standards, including, but not limited to doing all things necessary to hire and train the personnel necessary or required for the operation of the ARCpoint Labs Business, purchase the necessary supplies and equipment, obtain, and maintain all necessary licenses, and participate in the required industry services and/or memberships.~~

~~8.8 Maintenance of Goodwill~~

~~Franchisee shall not to make any negative statement, whether written or oral, about Franchisor's current and former employees, agents, member, or directors. Franchisee also agrees not to do any act harmful, prejudicial, or injurious to Franchisor.~~

~~8.9 E-Mail~~

~~Franchisee shall, at all times and at Franchisee's expense, maintain email addresses assigned by Franchisor for all business communications. Franchisor initiates, activates, and maintains full ownership and control of these email addresses, the number and types of email addresses assigned, costs, protocols, and procedures for Franchisee to follow as set out in the Manual. Neither Franchisee nor any other person employed by the ARCpoint Labs Business shall be allowed to communicate with vendors, customers, or potential customers or any other person or entity on behalf of the ARCpoint Labs Business using an email address that was not initiated or activated by and under Franchisor's full control. Franchisor reserves the right to suspend Franchisee's email(s) immediately upon Franchisee's default of any provision of Section 14.2, and after thirty (30) days have been given to cure any default in Section 14.4.~~

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

12.11 Customer Service. Franchisee shall (i) give prompt, courteous and efficient service to the public, and (ii) otherwise operate the Franchised Business in compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee shall establish and maintain an image and reputation for the Franchised Business

consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor. Franchisee shall keep the Franchised Business clean and in good order and repair at all times.

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

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

~~5.07~~12.14 Laboratory Audits. Franchisor reserves the right to conduct a laboratory audit of the ~~ARCpoint Labs~~ Franchised Business and compliance with applicable federal and state Clinical Laboratory Improvement Amendments (“CLIA”) regulations, including a review of Franchisee’s standard operating procedures (“Laboratory Audit”), if Franchisor deems a Laboratory Audit to be necessary or proper, including if Franchisor learns of or has reason to believe that Franchisee is violating this Agreement or any of Franchisee’s other legal obligations or if required by applicable state or federal law. If Franchisor conducts a Laboratory Audit, Franchisee shall pay ~~Franchisor~~ Franchisor’s then-current fee plus any costs or expenses incurred in connection with the Laboratory Audit.

~~9~~ INSURANCE

~~9.1~~ Types and Amounts of Coverage

~~At its sole expense, Franchisee shall procure within sixty (60) days of the Effective Date and maintain in full force and effect during the term of this Agreement, the types of insurance listed below from an approved insurance carrier rated “A+” or better by the A.M. Best Company, Inc. Policies must meet Franchisor’s specifications, including types and amounts of coverage, and the dollar limits and deductible levels, among other things. All policies, except those identified in Section 13.1.2, shall expressly name Franchisor as an additional insured or loss payee and shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. Franchisee must also require any physicians and/or other health care providers, that provide services to the ARCpoint Labs Business, and who are required by law to carry medical malpractice insurance, to provide Franchisee with written documentation of their current medical malpractice insurance coverage. Franchisee shall furnish this documentation to Franchisor, upon demand.~~

~~In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:~~

~~9.1.1 “Special Cause of Loss coverage form” property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies, and other property used in the operation of the ARCpoint Labs Business. Franchisee’s property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;~~

~~9.1.2 — Workers' compensation insurance that complies with the statutory requirements of the state in which the ARCpoint Labs Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;~~

~~9.1.3 — Commercial general liability insurance against claims for bodily and personal injury, Products and Completed operations liability, Broad Form Contractual Liability, Broad Form Property Damage Liability, death and property damage caused by or occurring in conjunction with the operation of the ARCpoint Labs Business, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per occurrence and an annual policy aggregate of \$2,000,000 or, if higher, the statutory minimum limit required by state law; Additional Insured Coverage for Franchisor, Regional Franchisor and their respective affiliates, officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis;~~

~~9.1.4 — Business interruption insurance in amounts and with terms acceptable to Franchisor;~~

~~9.1.5 — Automobile liability insurance for owned or hired vehicles with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law; and Coverage for all owned, non-owned and hired vehicles for a limit per occurrence of \$1,000,000 bodily injury and property damage combined single limits, including a \$1,000,000 for both uninsured and underinsured motorist;~~

~~9.1.6 — Errors and Omissions insurance against claims for negligence in connection with the performance of ARCpoint services with a minimum liability coverage of \$1,000,000 per occurrence or, if higher, the statutory minimum limit required by state law;~~

~~9.1.7 — Master cyber security insurance liability insurance in the amount of at least \$1,000,000 per occurrence; and~~

~~9.1.8 — Such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 20.2.~~

~~9.2 Future Increases~~

~~Franchisor has the right to reasonably increase the minimum liability protection requirement annually, and require Franchisee use a different insurance carrier, obtain different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.~~

~~9.3 Evidence of Coverage~~

~~Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 20.2. Franchisee shall provide, prior to beginning Onsite/Online Operations and upon each yearly anniversary thereafter, copies of their insurance policies and certificates showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums.~~

9.4 Failure to Maintain Coverage

~~Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to charge the premiums to Franchisee, which charges, together with a 20% administrative fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.~~

10 EVENTS OF DEFAULT

10.1—Definition

~~The actions, occurrences, and breaches described in Sections 14.2, 14.3, and 14.4 shall constitute an “Event of Default” under this Agreement.~~

10.2—Events of Default with No Right to Cure

~~Immediately upon the occurrence of any of the following events, all of which shall constitute an Event of Default, Franchisor may, but shall not be obligated to, exercise any of the remedies provided for in Section 15 including, but not limited to, termination of this Agreement without providing Franchisee any notice or opportunity to cure:~~

~~10.2.1—Franchisor discovers that Franchisee made any material misrepresentation or omission in its application for the ARCpoint Labs Business opportunity or otherwise to Franchisor in the course of entering into this Agreement;~~

~~10.2.2—Franchisor discovers that by entering this Agreement, Franchisee violated a non-competition agreement by which it is bound;~~

~~10.2.3—Franchisee is convicted of or pleads no contest to a felony or other crime or offense that, in Franchisor’s sole discretion and judgment, is likely to adversely affect the reputation of Franchisor, Franchisee, the System, the ARCpoint Labs Business, or other ARCpoint Labs Businesses;~~

~~10.2.4—Franchisee engages in any action, behavior, or conduct that, in Franchisor’s sole discretion and judgment, is likely to adversely affect the reputation of Franchisor, Franchisee, the System, the ARCpoint Labs Business, or other ARCpoint Labs Businesses;~~

~~10.2.5—Franchisee discloses, duplicates, or otherwise uses in an unauthorized manner any portion of the Manual or any other Confidential Information;~~

~~10.2.6—Franchisee abandons, or fails or refuses to actively operate the ARCpoint Labs Business for five (5) or more consecutive days without Franchisor’s express written permission;~~

~~10.2.7—Franchisee relocates the Lab Operations without receiving Franchisor’s express written permission;~~

~~10.2.8—Franchisee’s landlord notifies Franchisee that the landlord is re-taking possession of the Accepted Location, an eviction proceeding is filed against Franchisee, or Franchisee loses Franchisee’s right to possession of the Accepted Location;~~

~~10.2.9 — Franchisee surrenders or transfers control of the operation of the ARCpoint Labs Business without Franchisor’s approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the ARCpoint Labs Business or the interest in Franchisee of a deceased or incapacitated owner thereof, as herein required;~~

~~10.2.10 — Franchisee fails to maintain the ARCpoint Labs Business under the primary supervision of a Managing Owner or Designated Manager during the one hundred eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee, pursuant to Section 17.7;~~

~~10.2.11 — Franchisee:~~

- ~~(i) — becomes insolvent by reason of Franchisee’s inability to pay its debts as they become due;~~
- ~~(ii) — makes an assignment for the benefit of creditors;~~
- ~~(iii) — makes an admission of Franchisee’s inability to pay its obligations as they become due;~~
- ~~(iv) — files a voluntary bankruptcy petition;~~
- ~~(v) — files any pleading seeking any reorganization, liquidation, dissolution, composition, or other settlement with creditors under any law;~~
- ~~(vi) — admits or fails to contest the material allegations of any reorganization, liquidation, dissolution, composition pleading filed against Franchisee; or~~
- ~~(vii) — is adjudicated a bankrupt or insolvent.~~

~~10.2.12 — A receiver or other custodian is appointed for the assets of Franchisee; or a final judgment remains unsatisfied or of record for ninety (90) days or longer (unless supersedeas bond is filed); or if execution is levied against any part of the assets of the Franchisee or suit to foreclose any lien or mortgage is instituted against the Franchisee and not dismissed within ninety (90) days; or if the real or personal property of the Franchisee is sold after levy of judgment thereupon by any sheriff, marshal or constable; or the claims of creditors of Franchisee are abated or subject to a moratorium under any law; or, in the event Franchisee is a single member Limited Liability Company, and the sole member (individual or entity) files for bankruptcy or is adjudicated bankrupt;~~

~~10.2.13 — Franchisee misuses or makes an unauthorized use of any of the Marks, Franchisor’s trade secrets, or Confidential Information or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;~~

~~10.2.14 — Franchisee commits any act or omission including, without limitation, violating any law or regulation, that results in an immediate threat or danger to the health or safety of any person;~~

~~10.2.15 — Franchisee fails to comply with any Legal Requirement and fails to cure such this violation of such Legal Requirement within twenty four (24) hours after being given notice of non-compliance or within such other reasonable time applicable to such law or regulation;~~

~~10.2.16 — Franchisee submits to Franchisor at any time during the Term any reports or other data, information or supporting records that understates Gross Sales by more than three percent (3%);~~

12.15 Indemnification.

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

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

12.16 Computer System.

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

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

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

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

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

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

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

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

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

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

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

13. DEFAULT, TERMINATION AND EXPIRATION

13.01 Termination by Franchisor.

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

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

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

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

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

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

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

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

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

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

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

(~~+~~x) Franchisee breaches or fails to comply with: (i) any obligation under this Agreement, the Manual, or System Standard three or more times in any ~~twelve~~(12) month period, or (ii) the same obligation under this Agreement, the Manual, or System Standard two or more times in any six (~~6~~)-month period, in either instance, (i) or (ii), regardless of whether Franchisor has provided notice of such previous breaches or failures and regardless of whether such previous breaches or failures were cured; or

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

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

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

~~10.2.17 — Franchisee, its Affiliate, or any owner defaults, beyond any applicable cure period, under any agreement relating to or arising out of the operation of its ARCpoint Labs Business, including without limitation, a lease, sublease, loan agreement, or security interest, with any third party.~~

~~10.3 — Events of Default with 10 Day Opportunity to Cure~~

~~Immediately upon the occurrence of any of the following events, all of which shall constitute an Event of Default, Franchisor may, but shall not be obligated to, exercise any of the remedies provided for in Section 15 including, but not limited to termination of this Agreement, provided that Franchisee fails to cure the Event of Default to Franchisor's satisfaction within ten (10) days of written notice to Franchisee:~~

~~10.3.1 — Franchisee fails to submit reports or other information or supporting records when due;~~

~~10.3.2 — Franchisee fails to make any payment to Franchisor or its Affiliates when due;~~

~~10.3.3 — Franchisee fails to pay any amounts due as a result of the ARCpoint Labs Business operations to any third party, including without limitation landlord, vendors, suppliers, or any other third party;~~

~~10.4 — Events of Default with 30 Day Opportunity to Cure~~

~~Immediately upon the occurrence of any of the following events, all of which shall constitute an Event of Default, Franchisor may, but shall not be obligated to, exercise any of the remedies provided for in Section 15 including, but not limited to termination of this Agreement, provided that Franchisee fails to cure the Event of Default to Franchisor's satisfaction within thirty (30) days of written notice to Franchisee:~~

~~(b) Franchisee breaches or fails to perform or observe any material covenant, duty or obligation contained in this Agreement in any material respect; provided, however, that if Franchisee has commenced to diligently and expeditiously cure such pay all amounts owed to Franchisor based on the operation of the Franchise through the effective date of termination;~~

~~(c) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for~~

Franchisee relating to the operation of the Franchised Business, and all items containing any Marks, copyrights, and other proprietary items;

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

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

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

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

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

~~10.4.1 — Franchisor's Right To Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default in the cure period, as determined in the sole discretion of the Franchisor, the cure period shall be extended for a period of time as is commercially reasonable under the circumstances (not to exceed ninety (90) days from the notice of breach) and for so long as Franchisee is diligently and expeditiously pursuing a cure;~~

~~10.4.2 — on behalf of Franchisee fails to meet, without any of the Development Milestones;~~

~~10.4.3 — liability to Franchisee fails to meet any of the Training Milestones;~~

~~10.4.4 — Franchisee fails to obtain Franchisor's approval of any third party vendors or suppliers as required in Section 12.1;~~

~~10.4.5 — Franchisee fails to offer all services or products as required by Franchisor, offers any unapproved products or services, or makes unauthorized changes to the Accepted Location;~~

~~10.4.6 — Franchisee fails to operate the ARCpoint Labs Business in compliance with the System Standards;~~

~~10.4.7 — Franchisee fails to: (a) ensure that any person required by Section 7.4 executes a Systems Protection Agreement or Confidentiality Agreement, or (b) provide Franchisor with copies of such agreements required to be signed;~~

~~10.4.8 — Franchisee engages in any activity exclusively reserved to Franchisor; or~~

~~10.4.9 — Franchisee fails to maintain insurance as specified in Section 13 of this Agreement or provide certificates of insurance to Franchisor as required.~~

~~10.5 — Default by Managing Owner~~

~~Any action or omission by any Managing Owner of the Franchisee shall be deemed an action or omission by Franchisee for purposes of determining whether an Event of Default has occurred pursuant to this Section 14.~~

~~11 — REMEDIES AND TERMINATION~~

~~11.1 — Remedies Upon Event of Default~~

~~Upon the occurrence of any Event of Default, and subject to any applicable cure period, Franchisor may immediately exercise any or all of the following remedies, in addition to all other rights and remedies available to Franchisor under this Agreement or the law:~~

~~11.1.1 — Terminate this Agreement and any other agreement, including other franchise agreements, that Franchisor and Franchisee have executed;~~

~~11.1.2 — Suspend Franchisee's access to the intranet provided that Franchisee shall remain responsible for all costs of participation;~~

~~11.1.3 — Suspend Franchisee's access to any advertising or marketing materials or assistance provided for franchisees;~~

~~11.1.4 — Remove Franchisee from the ARCpoint website, including without limitation suspension of any right to conduct Onsite/Online Operations;~~

~~11.1.5 — Remove Franchisee from any advertising materials;~~

~~11.1.6 — Suspend or terminate any fee reductions which Franchisor might have agreed to during the Term;~~

~~11.1.7 — Require Franchisee to conduct an annual audit of its financials during the Term at Franchisee's sole cost;~~

~~11.1.8 — Require Franchisee, its Managing Owner (if applicable), or other employees of the Franchisee to participate in additional training;~~

~~11.1.9 — Suspend the provision of any operational support that this Agreement otherwise requires Franchisor to provide, including other information technology and network services;~~

~~11.1.10 — Suspend the provision or supply of any services or products for which Franchisor is an approved supplier;~~

~~11.1.11 — Reduce the size of the Territory, even if such reduction results in fewer businesses in the area than provided for in Section 2.4, and/or suspend Franchisee's exclusive rights in all or part of the Territory for the remainder of the Term or such other time period Franchisor determines in its sole discretion, without refunding any fee paid for such rights;~~

~~5.08~~13.06 ~~Take any action to cure a breach or default on Franchisee's behalf and require Franchisee to~~ shall reimburse Franchisor for all its costs and expenses (including the allocation of any internal costs), as well as reasonable attorneys' fees, for such action, plus a 10% administrative fee;

~~11.1.12 — Assume or appoint a third party to assume the management of the ARCpoint Labs Business and require, Franchisee to: (a) pay Franchisor's then current management fee, plus out of pocket costs and expenses of Franchisor or the third party, in addition to all other fees pursuant to this Agreement; and (b) at Franchisor's election, relinquish all Gross Sales generated during the time in which Franchisor or the third party manages the ARCpoint Labs Business. Such assumption of management shall continue until such time Franchisor, in its sole discretion, determines that either: (y) the Franchisee can operate the ARCpoint Labs Business in full compliance with this Agreement and the standards and specifications set forth in the Manual; or (z) Franchisor exercises its right to terminate this Agreement, which shall not be affected by Franchisor's exercise of its rights pursuant to this Section 15. Franchisor shall have no liability to Franchisee for any debts, losses, or obligations of Franchisee or the ARCpoint Labs Business during the time Franchisor or a third party manages the ARCpoint Labs Business;~~

~~11.1.13 — Charge Franchisee a non-compliance fee up to \$250 per day for each day the Event of Default remains uncured; and~~

~~11.1.14 — Reduce, modify, suspend, or otherwise terminate any other of Franchisee's rights under this Agreement while such Event of Default continues or for such other period of time that Franchisor, in its sole discretion deems appropriate, provided that Franchisee shall remain responsible for all fees and obligations under this Agreement.~~

~~11.1.15 — Unless Franchisor expressly terminates this Agreement, Franchisor's exercise of any of the foregoing remedies will not constitute an actual or constructive termination of this Agreement nor will it be Franchisor's sole and exclusive remedy for Franchisee's default or failure to comply with this Agreement. During any suspension period, Franchisee must continue to pay all fees and other amounts due under, and otherwise comply with, this Agreement and all related agreements. If Franchisor restores any of Franchisee's rights, Franchisee will not be entitled to any compensation for any fees, expenses, or losses Franchisee might have incurred due to Franchisor's exercise of any of its rights provided in this Section 15.1.~~

~~11.2 — General Provisions Concerning Default and Termination~~

~~In any proceeding in which the validity of any termination of this Agreement or Franchisor's refusal to enter into a Successor Franchise Agreement is contested, each party may cite to and rely upon all defaults or violations of this Agreement, not only the defaults or violations referenced in any written notice. Franchisee agrees that Franchisor has the right and authority (but not the obligation) to notify any or all of~~

Franchisee's owners, lenders, landlords, creditors, vendors, or suppliers, if Franchisee commits an Event of Default or if Franchisor terminates this Agreement.

11.3 — Election of Remedies

If Franchisor exercises its right not to terminate this Agreement but to implement any remedies in Section 15.1, Franchisor may at any time after the appropriate cure period under the written notice has lapsed (if any) terminate this Agreement without giving Franchisee any additional corrective or cure period. Franchisor's exercise of its rights under Section 15.1 will not be a waiver by Franchisor of any breach of this Agreement.

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

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

~~5.09~~13.09 Liquidated Damages. Upon Franchisor's termination of this Agreement due to ~~an~~ ~~Event of~~ Franchisee's default, Franchisee shall pay liquidated damages to Franchisor in an amount equal to the average monthly Royalty ~~(or Minimum Royalty, if applicable)~~ Fee owed by Franchisee (even if not paid) ~~per month~~ over the 12-month period preceding the date of termination (or, if the ~~ARCpoint Labs~~ Franchised Business was not open throughout such 12-month period, then the average monthly Royalty ~~(or Minimum Royalty, if applicable)~~ earned per month Fee owed by Franchisee for the period in which the ~~ARCpoint Labs~~ Franchised Business was open), multiplied by the lesser of: (i) ~~24~~36; or (ii) the number of months remaining in the term of the Franchise Agreement. The liquidated damages owed hereunder are not a penalty; but rather ~~the~~ Franchisor and Franchisee represent and agree that the liquidated damages are a reasonable pre-estimate of the monetary losses Franchisor will suffer in the event of early termination. This liquidated damages provision will not limit ~~our~~ Franchisor's right to injunctive relief with respect to any violation of the Franchise Agreement.

12 RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

12.1 — Actions to be Taken

Except as otherwise provided herein, upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

12.1.1 — immediately cease to operate the ARCpoint Labs Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;

12.1.2 — cease to use using any of Franchisor's trade secrets, Confidential Information, the System, and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

12.1.3 — immediately cease operating all social media pages within Franchisee's control associated with, or previously associated at any time with, the ARCpoint Labs Business or ARCpoint Labs, including but not limited to, Facebook, Instagram, YouTube, TikTok and X (Twitter). Franchisee must also immediately cease operating all online business directory listings within Franchisee's control associated with, or previously associated with, the ARCpoint Labs Business or ARCpoint Labs, including but not limited to, Yelp, Nextdoor, LinkedIn, Google, YP (Yellow Pages), and Angi. Franchisee must promptly provide us with all login credentials or other information necessary for us to assume exclusive control over each social media and business directory account, page, or listing. To the extent that Franchisee is aware of or become aware of any social media or business directory account, page, or listing associated with the ARCpoint Labs Business that is not within Franchisee's control, Franchisee must promptly notify Franchisor thereof in writing.

(a) — Notwithstanding the foregoing, Franchisor may in Franchisor's exclusive discretion demand that Franchisee delete, deactivate, or otherwise modify each social media or business directory account or listing at any time. Franchisee must comply with Franchisor's demand immediately on receipt.

(b) — Franchisee agrees that all consumer or other published reviews of the ARCpoint Labs Business and/or any goods or services provided by the ARCpoint Labs Business, are the exclusive property of ARCpoint Franchise Group, LLC. Franchisee's right to use these reviews in any manner terminates with the expiration or termination of this Agreement. Franchisee is prohibited from advertising, promoting, quoting, or otherwise referring to the reviews in connection with any business or offer to conduct business on expiration or termination of this Agreement.

(c) — Franchisee agrees that any violation of this Section 16.1.3 constitutes trademark infringement, service mark infringement, unfair competition, false advertising, and/or deceptive trade practices under federal, state, and common law, that this violation encroaches on the goodwill associated with Franchisor's brand, and that violation is likely to cause confusion among reasonably prudent consumers.

12.1.4 — upon demand by Franchisor, at Franchisor's sole discretion, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease), Franchisee's interest in the lease then in effect for the Accepted

~~Location to Franchisor and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;~~

~~12.1.5 — take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed, furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after Franchisor's request;~~

~~12.1.6 — pay all sums owing to Franchisor and its Affiliate. If this Agreement is terminated after an Event of Default, such sums shall include, but shall not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees with respect to litigation, appellate or bankruptcy proceedings, unpaid Royalties (including Minimum Royalties) and any other amounts due to Franchisor or its Affiliate;~~

~~12.1.7 — pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor to enforce the terms of this Agreement;~~

~~12.1.8 — immediately return to Franchisor or destroy, at Franchisor's election, all copies of the Manual and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the ARCpoint Labs Business (all of which are acknowledged to be Franchisor's property), and permanently remove from Franchisee's computer or computer data storage devices any electronic copy or backup of the Manual and all other Confidential Information. In the event of destruction of information under this Agreement, Franchisee shall certify the destruction to Franchisor in writing;~~

~~12.1.9 — cooperate fully with Franchisor regarding fax machines, land and cellular telephone numbers, and any other form of client communication not anticipated at the time of this Agreement, in such a way as to allow Franchisor to communicate directly with Franchisee's clients for a period of at least sixty (60) days after termination or expiration. Franchisor shall determine the best way to facilitate this transition at the time of the occurrence and Franchisee shall sign all documents and do all things necessary to assist in the effort;~~

~~12.1.10 — notify any and all clients, including any other franchisees for whom the Franchisee is performing services as a TPA, and vendors of the closing and take proactive measures to contact any and all clients and vendors and provide alternative action for authorizations and/or lab results;~~

~~12.1.11 — cease use of and, at Franchisor's election, either terminate or provide Franchisor with all passwords and login information for all social media accounts associated with or using the ARCpoint name or Marks;~~

~~12.1.12 — cease use of and, at Franchisor's election, either terminate or turn over control of digital marketing and advertising, including, without limitation, Google, My Business, Yelp, search engine optimization and pay per click campaigns that incorporate, use, or reference ARCpoint or any words or Marks associated therewith;~~

~~12.1.13 — turn over to Franchisor or Franchisor's designee all client lists along with associated client records or Business Records that Franchisor requires;~~

~~12.1.14 — refer clients to Franchisor or Franchisor’s designee; and~~

~~12.1.15 — comply with all other applicable provisions of this Agreement.~~

~~12.2 — Post Termination Covenant Not to Compete~~

~~12.2.1 — Franchisee acknowledges that the restrictive covenants contained in this Section are fair and reasonable and are justifiably required for purposes including, but not limited to, protecting the Confidential Information of Franchisor; inducing Franchisor to grant a franchise to Franchisee; and protecting Franchisor against its costs in training Franchisee and its officers, directors, legal representatives, shareholders, managers, members, partners, owners, employees, and agents (in their corporate and individual capacities).~~

~~12.2.2 — Except as otherwise approved of in writing by Franchisor, for a period of two (2) years (the “Restrictive Period”) after the expiration or termination of this Agreement, or with respect to any owner, the owner’s transfer and relinquishment of ownership in Franchisee’s ARCpoint Labs Business (each a “Triggering Event”), neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall either directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, within the Territory, or within the territory of any other ARCpoint Labs Business in operation or under development at the time of the Triggering Event:~~

~~(a) — divert or attempt to divert any business, customer, referral source or supplier of the ARCpoint Labs Business or any other ARCpoint Labs Business to any Competitive Business;~~

~~(b) — solicit other franchisees, or use available lists of franchisees, for any commercial purpose other than purposes directly related to the operation of the ARCpoint Labs Business;~~

~~(c) — do or perform any other act injurious or prejudicial to Franchisor, including disparaging Franchisor;~~

~~(d) — have any ownership interest in, manage, supervise or control the activities of, train employees of, advise, franchise, loan any assets to, or lease any property to a Competitive Business without the express written consent of Franchisor; or~~

~~(e) — authorize, assist, or induce another to take any action Franchisee itself would be prohibited from taking in accordance with this Section 16.2.~~

~~12.2.3 — In the event that Franchisee does not comply with the restrictive covenants contained herein, and provided that Franchisor seeks to enforce the restrictive covenants during the Restrictive Period, then the Restrictive Period will be tolled during any period of non-compliance. In addition, at any point during the term of the Franchise Agreement or after the termination or expiration of the Franchise Agreement (including during the pendency of any legal proceedings), Franchisor may immediately upon written notice, unilaterally reduce the scope of the restrictive covenants contained herein, for any reason whatsoever, including without limitation a finding by the court that the restrictive covenants as written are overly broad, unreasonable or otherwise not enforceable. Upon Franchisee’s receipt of such notice, Franchisee will immediately comply with the reduced restriction as communicated by Franchisor.~~

~~12.2.4~~ — In furtherance of this Section and as provided in Section 7.4, Franchisor has the right to require certain individuals to execute the then current Systems Protection Agreement, a copy of which is attached to the Franchise Disclosure Document, or the Owner's Agreement, a copy of which is attached hereto as Schedule 3.

~~12.3~~ — Unfair Competition

~~If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake, or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. Franchisee further shall continue to maintain the confidentiality of all Confidential Information and not use the Confidential Information in the operation of any such business. This Section is not intended to grant Franchisee a right to operate other businesses and in no way is it intended to contradict Sections 16.1, 16.2, or Schedule 3.~~

~~Upon termination or expiration of this Agreement, if Franchisor elects not to receive an assignment or sublease of the Accepted Location, Franchisee shall make such modifications or alterations to the Accepted Location (including changing telephone and facsimile numbers) as Franchisor requires to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Accepted Location. Franchisee shall make such specific additional changes to the Accepted Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all trade dress or other physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Accepted Location for the purpose of making or causing to be made such changes as may be required, Franchisee shall reimburse Franchisor for reasonable expenses it incurs to appropriately de-identify the former Accepted Location upon demand.~~

~~12.4~~ — Franchisor's Option to Purchase Certain Business Assets

~~Franchisor has the right (but not the duty), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of the ARCpoint Labs Business including equipment, supplies, and other inventory. The purchase price shall be equal to the assets' fair market value, as determined by an independent appraiser. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price.~~

~~13~~ TRANSFERABILITY OF INTEREST

14. TRANSFER.

~~5.10~~ 14.01 Transfer by Franchisor. This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignmenttransfer resulting in the subsequent performance by the assigneetransferee of the functions of Franchisor, the assigneetransferee shall assume the obligations of Franchisor hereunderunder this Agreement and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

~~13.1~~ — Transfer by Franchisee to a Third Party

~~5.11~~ 14.02 The rights and duties of Franchisee as set forth in shall not assign this Agreement , and the rights herein granted, are personal to Franchisee (or its Managing Owner), and Franchisor has

~~entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor consummate any holder of a legal or beneficial interest in Franchisee may initiate, complete, or execute a other Transfer without the prior written approval of Franchisor. Any purported Transfer without such approval shall be null and void and shall constitute a material except in accordance with Section 14.03, Section 14.04, or Section 14.05 and any attempt to do so shall be void and a breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such Transfer shall be conditioned upon the satisfaction of the following requirements:~~

~~13.1.1 — Franchisor has declined to exercise its rights under Section 18;~~

~~13.1.2 — all obligations owed to Franchisor, its Affiliates, or any third party vendor, supplier or landlord relating to the ARCpoint Labs Business, are fully paid and satisfied;~~

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

(a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;

(b) Franchisee has settled all outstanding accounts with Franchisor;

(c) Franchisee, and any transferring owners, if each owner of Franchisee is a business entity, has executed a general release, in a form the same of claims against Franchisor and its affiliates, owners, employees, and agents, in the form required by Franchisor;

(a)(d) Franchisee pays a transfer fee (the "Transfer Fee") in the amount of (i) \$7,500, unless the transferee is an existing ARCpoint Labs franchisee, in which case the Transfer Fee will be \$3,750; or the transferee is an entity in which Franchisee's owners are the majority owners, or if Franchisee transfers the Franchised Business to an adult child, parent, sibling, or spouse of an owner of Franchisee, in which case the Transfer fee will be \$0, plus (ii) any commission or other amount owed to a broker or other representative that is involved in a franchise sale as ~~or similar to the General Release attached to the Franchise Disclosure Document~~ part of the Transfer;

(e) the prospective owners of the proposed transferee entity each execute a personal guarantee, jointly and severally, guaranteeing the performance of the proposed transferee's obligations;

(f) the proposed transferee is not a competitor of ARCpoint Labs; and

(b)(g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's ~~then current criteria for~~ standards applicable to new franchisees; regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the Franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require.

~~13.1.3 — the transferee and its owners have executed Franchisor's then current form of franchise agreement and related documents (including but not limited to Franchisor's then current form of Owner's Agreement or other guaranty) for new franchisees, which may be substantially~~

~~different from this Agreement, including different Royalty, Minimum Royalty, Brand Fund Contribution, and Minimum Brand Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;~~

~~13.1.4 — Franchisee has provided Franchisor with a complete copy of all contracts and related documentation between Transfer to an Entity. Franchisee may Transfer this Agreement to an entity in which Franchisee and the prospective transferee relating to the intended sale or Transfer of the ARCpoint Labs Business owns all of the equity without paying a Transfer Fee, provided: (a) Franchisee remains on the Agreement as a party and Franchisor has the entity is added as a co-party; (b) Franchisee, or Franchisee's operational partner or Manager approved the material terms of such documentation;~~

~~13.1.5 — Franchisee or the transferee has paid to by Franchisor a Transfer fee in the amount, continues to devote full time and best efforts to manage the daily operations of \$20,000; provided that if the transferee owns or operates an existing ARCpoint Labs the Franchised Business (“**Existing Franchise Owner**”), then such Transfer fee shall be only \$5,000. In the case of transfers to any third party (except an Existing Franchise Owner), a nonrefundable deposit of \$1,000 is due upon request for the approval for the Transfer and ;(c) the remaining balance is due prior to the execution of the Transfer documents.~~

~~13.1.6 — The transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Accepted Location) and all applicable Legal Requirements applicable to the Transfer have been complied with or satisfied;~~

~~13.1.7 — Transferee has, and if transferee is an entity, all of the holders of a legal and beneficial interest in transferee have, executed, and delivered to Franchisor an Owners Agreement or similar agreement;~~

~~13.1.8 — Prior to assuming the management of the day to day operation of the ARCpoint Labs Business, the transferee's Managing Owner and/or Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the Initial Training described in Section 8.1; and~~

~~13.1.9 — Franchisee must reimburse Franchisor upon receipt of Franchisor's invoice for any broker or other placement fees Franchisor incur as a result of the Transfer.~~

~~13.2 — Transfer to a Controlled Entity~~

~~13.2.1 — If Franchisee wishes to Transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee (“**Controlled Entity**”), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such Transfer shall be conditioned upon the satisfaction of the following requirements:~~

~~(a) — the Controlled Entity is newly organized, and its articles of incorporation or organization provide that its entity's activities are confined exclusively to operating the operation of the ARCpoint Labs Franchised Business;~~

~~(b) — Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding ownership interests in the Controlled Entity;~~

~~(c) — all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied;~~

~~(d) — Franchisee or the Controlled Entity shall pay a \$500 transfer fee;~~

~~(e) — the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the ARCpoint Labs Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;~~

~~(f) — all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;~~

~~(g) — each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or Transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and~~

~~(h) — copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor promptly after adoption.~~

~~13.2.2 — The term of the transferred franchise shall be the remaining Term, including all renewal rights, subject to any and all conditions applicable to such renewal rights.~~

~~13.2.3 — Franchisor's consent to a Transfer of any interest in this Agreement, or of any ownership interest in the ARCpoint Labs Business, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.~~

~~13.3 — Transfer to an Immediate Family Member~~

~~13.3.1 — If Franchisee wishes to transfer this Agreement or any interest herein to a spouse, child, or grandchild of the Franchisee or an owner of the Franchisee, if Franchisee is an (d) the entity, (“**Immediate Family Member**”), Franchisor's consent to such Transfer shall be conditioned upon the satisfaction of the following requirements:~~

~~(a) — all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied;~~

~~(b) — Franchisee or the Immediate Family Member shall pay a \$500 Transfer fee;~~

~~(c) — the Immediate Family Member meets Franchisor's then current criteria for new franchisees;~~

~~(d) — Prior to assuming the management of the day-to-day operation of the ARCpoint Labs Business, the Immediate Family Member shall complete, to Franchisor's satisfaction, a training program in substance similar to the Initial Training described in Section 8.1; and~~

~~(e) — the Immediate Family Member has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the ARCpoint Labs Business, including, without limitation, Franchisor's then-current Owner's Agreement or guaranty. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor.~~

~~13.3.2 — The term of the transferred franchise shall be the remaining Term, including all renewal rights, subject to any and all conditions applicable to such renewal rights.~~

~~13.3.3 — Franchisor's consent to a Transfer of any interest in this Agreement shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.~~

13.4 — Franchisor's Disclosure to Transferee

~~Franchisor has the right, without assumes joint and several liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the ARCpoint Labs Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the ARCpoint Labs Business by an intended transferee identified by Franchisee.~~

13.5 — For Sale Advertising

~~5.1214.04 Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the ARCpoint Labs Business, or in any communication media, any form of advertising relating to the sale of the ARCpoint Labs Business, or the rights granted hereunder with Franchisee.~~

13.6 — Transfer by Death or Incapacity

~~5.1314.05 Disability. Upon ~~your or your owner's~~the death or disability, ~~your~~of Franchisee (if Franchisee is an individual) or of any owner of Franchisee (if Franchisee is an entity), Franchisee's or the owner's executor, administrator, guardian, or other personal representative (~~the "Representative"~~) must transfer ~~your~~Franchisee's or the owner's interest in this Agreement, the ~~ARCpoint Labs~~Franchised Business, ~~and~~or direct or indirect ownership interest in ~~you~~Franchisee to a third party: (i) whom ~~we~~approveFranchisor approves; and (ii) who has satisfied ~~our~~Franchisor's then-current criteria for new franchisees. That transfer must occur, ~~subject to our rights in Section 17~~, within a reasonable time, not to exceed nine ~~(9)~~ months from the date of death or disability, and is subject to all of the terms and conditions of this Section ~~17~~14. A failure to transfer such interest within this time period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent ~~you~~Franchisee or the owner from supervising ~~you~~Franchisee's or the ~~ARCpoint Labs Business~~Franchised Business's management and operation for ~~ninety (90)~~ or more consecutive days. Following ~~such~~the death or disability of such person as described in this Section, if~~

necessary, in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the ~~ARCpoint Labs~~Franchised Business until the deceased or incapacitated ~~owner's~~person's interest is transferred in accordance with this Section. Franchisor may charge a management fee as stated in the Manual, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the ~~ARCpoint Labs~~Franchised Business.

~~5.14~~14.06 Right of First Refusal.

~~13.7~~ — **Submission of Offer**

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

~~13.8~~ — **Franchisor's Right to Purchase**

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

~~13.9~~ — **Non-Exercise of Right of First Refusal**

(c) If Franchisor does not exercise this right of first refusal within ~~thirty (30)~~ days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section ~~17.2~~14. Should the sale fail to close within ~~one hundred twenty (120)~~ days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

~~14~~ **BENEFICIAL OWNERS OF FRANCHISEE**

~~Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Schedule 4 are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee. Franchisee shall update Schedule 4 throughout the Term as necessary to promptly inform Franchisor of any changes in ownership. Any update to Schedule 4 by Franchisee shall not operate as a waiver of Franchisee's compliance with the requirements of Section 17.~~

15 RELATIONSHIP AND INDEMNIFICATION

15.1 Relationship

~~This Agreement does not appoint or make Franchisee an agent, legal representative, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever. Franchisee is an independent contractor only. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the Term, and any extension or successor hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the ARCpoint Labs Business operating pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice in the form specified in Section 6.2 (or as otherwise specified by Franchisor) on all forms, stationery, or other written materials. Franchisee will use Franchisee's legal name on all documents for use with employees and contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, or any other obligation of Franchisee. In no event shall this Agreement or any conduct pursuant hereto make Franchisor a fiduciary with respect to Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the ARCpoint Labs Business. Any third-party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone. Within seven (7) days of Franchisor's request, Franchisee and each of Franchisee's employees will sign an employment relationship acknowledgment form stating that Franchisee alone are the employee's employer and that Franchisee alone operate Franchisee's ARCpoint Labs Business.~~

15.2 Indemnification

~~Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, legal representatives, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the ARCpoint Labs Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or any Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the ARCpoint Labs Business, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information. The obligations of this Section 20.2 shall expressly survive the termination of this Agreement.~~

15.3 Right to Retain Counsel

~~Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if,~~

~~in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section 20.3 causes any of Franchisee's insurers to refuse to pay a third party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.~~

~~16 GENERAL CONDITIONS AND PROVISIONS~~

~~16.1 No Waiver~~

~~No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall neither affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.~~

~~16.2 Notices~~

~~All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission email; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. All notices shall be sent to Franchisee at the address listed on Schedule 1 or such other address as Franchisee may designate in writing to Franchisor. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:~~

~~ARCpoint Franchise Group, LLC~~

~~Attention: CEO~~

~~101 North Main Street, Suite 301~~

~~Greenville, South Carolina 29601~~

~~16.3 Unlimited Guaranty and Assumption of Obligations~~

~~All holders of a legal or beneficial interest in Franchisee and their spouses shall be required to execute, as of the date of this Agreement, the Owner's Agreement attached as Schedule 3, through which such person agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.~~

~~16.4 Approvals~~

~~Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing.~~

16.5 — Entire Agreement

~~This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's Franchise Disclosure Document), which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Nothing in the Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document.~~

16.6 — Severability and Modification

~~Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable, and if any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of nor affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement; provided, however, that if Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement. Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights, or remedies under this Agreement.~~

~~Notwithstanding the above, each of the covenants contained in Sections 7 and 16 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable, or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law.~~

16.7 — Construction

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

16.8 — Survival of Certain Provisions

~~All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.~~

16.9 — Force Majeure

~~Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, pandemics, war, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the Term.~~

~~16.10—Timing~~

~~Failure to perform any act within the time required or permitted by this Agreement shall be an Event of Default.~~

~~FRANCHISEE ACKNOWLEDGES AND AGREES THAT TIME IS OF THE ESSENCE UNDER THIS AGREEMENT. FRANCHISEE'S RIGHTS UNDER THIS AGREEMENT ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF FRANCHISEE DOES NOT COMPLY STRICTLY WITH THE OBLIGATIONS PROVIDED IN THIS AGREEMENT. FRANCHISOR MAY ENFORCE THIS AGREEMENT STRICTLY.~~

~~16.11—Further Assurances~~

~~Each party to this Agreement will execute and deliver such further instruments, contracts, forms, or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.~~

15. COVENANTS

15.01 Covenants Not to Compete.

(a) During the term of this Agreement and for two years after termination, transfer, or expiration of this Agreement for any reason, Franchisee (including all persons who directly or directly hold any ownership interest in Franchisee) agrees to not for itself, individually, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competitive Business. This covenant not to compete applies: (i) during the term of this Agreement: anywhere in the United States; (ii) for a two year period following after the expiration or earlier termination of this Agreement: (a) within Franchisee's Territory; (b) within 25 miles from the boundary of Franchisee's Territory; and (c) within a 25 mile radius from the premises of any ARCpoint Labs business then in operation.

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

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

(d) The covenants contained herein shall be presumed to be enforceable, and any reading causing unenforceability shall yield to a construction permitting enforcement. If any single covenant or clause shall be found unenforceable, it shall be severed and the remaining covenants

and clauses enforced in accordance with the tenor of this Section and this Agreement. In the event the arbitrator(s), or any court of competent jurisdiction, should determine not to enforce a covenant as written due to overbreadth, or for anyone reason, the parties specifically agree that said covenant shall be modified and enforced to the extent reasonable, whether said modifications are in time, territory, or scope of prohibited activities.

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

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

6.16. DISPUTE RESOLUTION

~~16.12—Choice of Law~~

~~South Carolina law governs all claims that in any way relates to or arises out of this Agreement or the relationship between the parties (“Claim(s”). However, no laws regulating the sale of franchises or governing the relationship between Franchisor and Franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.~~

~~16.13—Jury Waiver~~

~~In any trial between any of the parties as to any Claims, the parties to waive their rights to a jury trial and instead have such action tried by a judge.~~

~~16.14—Class Action Waiver~~

~~Any disagreement or dispute between Franchisee and Franchisor (or either Franchisee’s or Franchisor’s Affiliates and owners) will be considered unique as to its facts and cannot be brought as a class action. Franchisee waives any right to proceed against Franchisor (or Franchisor’s Affiliates or owners) by way of class action or as part of a multi-plaintiff, consolidated, or collective action.~~

~~16.15—Punitive Damages Waiver~~

~~The parties agree to waive their rights, if any, to seek or recover punitive damages as to any Claims. Further, as to any Claims brought by Franchisee against Franchisor, Franchisee’s damages shall not exceed and shall be limited to refund of Franchisee’s Initial Franchise Fee and Royalty payments.~~

~~16.16—Limitations of Actions~~

~~Franchisee agrees to bring any Claims against Franchisor, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.~~

~~16.17 Specific Performance/Injunctive Relief~~

~~Nothing in this Franchise Agreement shall bar Franchisor's right to obtain specific performance of the provisions of this Franchise Agreement and injunctive relief against actual or threatened conduct that will cause Franchisor loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Franchisor may apply for such injunctive relief, without bond and without proving actual damages, but upon due notice, in addition to such further and other relief as may be available at equity or law, and Franchisee's sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).~~

~~16.18 Prior Notice of Claims~~

~~As a condition precedent to Franchisee commencing any action for a Claim against Franchisor, Franchisee must first notify Franchisor of the alleged violation or breach within thirty (30) days after the occurrence and provide Franchisor a reasonable amount of time to cure, which in no event shall be less than thirty (30) days ("**Franchisor Cure Period**"). Failure to comply with this Section 22.7 shall preclude any Claim for damages or injunctive relief by Franchisee. Notwithstanding the foregoing, Franchisor shall not be obligated to provide any notice of any Claim except as otherwise explicitly provided in this Agreement. If Franchisor fails to cure any alleged violation or breach in the Franchisor Cure Period, Franchisee must notify Franchisor's Chief Executive Officer of any Claim and use Franchisee's commercially reasonable efforts to resolve the dispute ("**Internal Dispute Resolution**"). Failure to comply with this Section 22.7 shall preclude any Claim for damages or injunctive relief by Franchisee.~~

~~16.19 Mediation~~

~~If Franchisee's allegations are not resolved within a reasonable time, but in no event less than thirty (30) days after the Internal Dispute Resolution begins, prior to bringing any Claim against Franchisor, Franchisee agrees to submit such Claims to mediation before a mutually agreed to mediator in the city or county where Franchisor's headquarters are located. If the parties cannot mutually agree on a mediator, the parties agree to use the mediation services of the American Arbitration Association ("**AAA**") and split any AAA and mediator fees equally. If mediation is unsuccessful, any Claim must be brought pursuant to the procedures set forth below.~~

~~16.20 Litigation~~

16.01 Franchisee and Franchisor agree that all Claims between Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided to the contrary in this Agreement, any controversy or claim between Franchisor and Franchisee, whether or not arising out of or relating to this Agreement or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration proceedings will be conducted by a single arbitrator. The arbitration will take place in the city where Franchisor's principal offices are located at the time the demand for arbitration is filed. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction.

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

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

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

16.20.1—Limit on Damages. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. Each party waives any right to punitive or other damages not measured by the prevailing party's actual damages to the maximum extent permitted by law. The maximum aggregate liability of Franchisor and its affiliates, and their respective owners, officers, ~~directors, agents and/or employees, and to Franchisee (and/in any arbitration(s) or its owners, guarantors, affiliates and/or employees)~~ arising out of or other legal actions related to the following shall be litigated in accordance with the terms hereof: (a) ~~this Agreement or any other agreement between them;~~ (b) ~~Franchisor's relationship with Franchisee;~~ (c) ~~the validity of this Agreement or any other agreement between Franchisee and Franchisor, or any provision of any such agreements;~~ or (d) ~~any System Standards.~~

16.20.2—Jurisdiction. Franchisee consents and agrees that the following courts shall have personal jurisdiction over Franchisee and hereby waives any defense Franchisee may have for lack of personal jurisdiction in any such lawsuit filed in these courts: (A) all courts included within the state court system of South Carolina; and (B) all the United States District Courts sitting within South Carolina.

(a)(c) Venue. Franchisee consents and agrees that venue shall be proper in any of the following courts and hereby waives any defense Franchisee may have for improper venue in any such lawsuits filed in these courts: (i) in the Thirteenth Judicial Circuit Court of South Carolina located in Greenville County, South Carolina; and (ii) the United States District Court for South Carolina located in Greenville, South Carolina. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in South Carolina which most closely approximates the subject matter jurisdiction of the abolished court. All lawsuits filed by Franchisee against Franchisor must be filed in one of these courts; provided, however, that if none of these courts has subject matter jurisdiction over such a lawsuit, such lawsuit may be filed in any court in the state where the Franchisor has its principal place of the business at the time of filing having such subject matter jurisdiction. Lawsuits filed by Franchisor against Franchisee may

~~be filed in any of the courts named in this Section 22.9.3 or in any court in which jurisdiction and venue are otherwise proper~~relationship between the parties shall not exceed the amounts paid by Franchisee to Franchisor in connection with this Agreement.

~~16.20.3 — Service of Process. In all lawsuits relating to or arising out of the Agreement and related agreements, Franchisee consents and agrees to be served with process outside the State of South Carolina in the same manner as service may be made within the State of South Carolina by any person authorized to make service by the laws of the state, territory, possession, or country in which service is made or by any duly qualified attorney in such jurisdiction, and Franchisee hereby waives any defense Franchisee may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.~~

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

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

16.04 Venue Other Than Arbitration. If any legal proceeding is not required to be submitted to arbitration under this Agreement, each of the parties irrevocably and unconditionally (a) agrees that any such legal proceeding must be brought in the federal or state court having jurisdiction that is located in the district where Franchisor's principal place of business is then located; (b) consents to the jurisdiction of each such court in any legal proceeding; and (c) waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

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

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

17. RELATIONSHIP OF THE PARTIES

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

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

18. MISCELLANEOUS

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

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

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

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

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

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

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

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

18.09 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination,

remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity.

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

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

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

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

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

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

19. REPRESENTATIONS AND ACKNOWLEDGEMENTS

A. FRANCHISEE AGREES—REPRESENTS TO FRANCHISOR THAT FRANCHISEE'S SIGNATURE ON AND PERFORMANCE OF THIS SECTION 22.9 APPLIES TO ALL AGREEMENTS BETWEEN AGREEMENT DOES NOT VIOLATE OR CONSTITUTE A

BREACH OF THE TERMS OF ANY OTHER AGREEMENT OR COMMITMENT TO WHICH FRANCHISEE (OR ITS, FRANCHISEE'S GUARANTORS OR ANY OF FRANCHISEE'S OR THEIR AFFILIATES) AND FRANCHISOR ENTERED INTO PRIOR TO THE EFFECTIVE DATE AND SUPERSEDES ANY PROVISION REGARDING JURISDICTION AND VENUE ARE A PARTY.

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

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

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

A.E. FRANCHISEE REPRESENTS TO FRANCHISOR THAT ALL INFORMATION SET FORTH IN ANY AND ALL APPLICATIONS, FINANCIAL STATEMENTS AND SUBMISSIONS TO FRANCHISOR ARE AND WILL BE TRUE, COMPLETE AND ACCURATE IN ALL RESPECTS, AND FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR IS RELYING UPON THE TRUTHFULNESS, COMPLETENESS AND ACCURACY OF SUCH ~~PRIOR AGREEMENT.~~ INFORMATION IN BOTH AWARDING AND CONTINUING THE RIGHTS GRANTED TO FRANCHISEE BY THIS AGREEMENT.

~~16.20.4 — Effect on Non-Signatories. The provisions of this subsection are intended to benefit and bind certain third party non signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.~~

~~16.21 — Costs and Attorneys' Fees~~

~~If either party initiates a court proceeding under or relating to this Agreement or the relationship between Franchisee and Franchisor (and/or any of its Affiliates), the non-prevailing party in that proceeding (as determined by the judge) must reimburse the prevailing party for all of the prevailing party's costs and expenses that it incurs.~~

~~16.22 — Third-Party Beneficiaries~~

~~Franchisor’s officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the Dispute Resolution provisions contained herein.~~

17 — ACKNOWLEDGMENTS

~~17.1 — Receipt of this Agreement and the Franchise Disclosure Document~~

~~Franchisee represents and acknowledges that it has received this Agreement and Franchisor’s Franchise Disclosure Document. Franchisee further represents and acknowledges that it has received the Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which Franchisee signed this Agreement or paid any money to secure the ARCpoint Labs Business.~~

~~17.2 — True and Accurate Information~~

~~Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor are true, complete, and accurate in all respects, and Franchisee acknowledges that Franchisor relied upon the truthfulness, completeness, and accuracy of such information in making its decision to sign this Agreement with Franchisee.~~

~~17.3 — Independent Investigation~~

~~Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.~~

~~17.4 — No Violation of Other Agreements~~

~~Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.~~

IN WITNESS WHEREOF, the parties have executed this Agreement.

FRANCHISOR:
ARCPOINT FRANCHISE GROUP, LLC

FRANCHISEE:

Company

By: _____

Name: _____

If an individual:

Title: _____

Signature: _____

Effective Date: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

By: _____

Title: Date: _____

ATTACHMENT I
TO FRANCHISE AGREEMENT
FRANCHISE DATA SHEET

1. ~~Franchisee:~~ _____

2. ~~The Effective Date set forth in the introductory Paragraph of the Franchise Agreement is:~~
_____, 20____.

The Initial Franchise Fee set forth in SUMMARY INFORMATION

3. ~~1. Premises (Section 3.1) shall be a total of: \$~~ _____.

~~\$~~ _____ is attributable to the Onsite/Online Operations of Franchisee's ARCpoint Labs 4.01. The Franchised Business will be located at:

\$ _____ is attributable to the Lab Operations of Franchisee's ARCpoint Labs Business.

2. Territory (Section 4.02):

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

3. Initial Franchise Fee (Section 5.02):

4. Franchisee's Notice Address ~~set forth in Section 21.2 of the Franchise Agreement shall be:~~
(Section 18.09)

SCHEDULE

2

Email:

ATTACHMENT II
TO FRANCHISE AGREEMENT

~~Franchisor and Franchisee have mutually agreed upon a Territory based on the site for the ARCpoint Business which is indicated below. Franchisee acknowledges that the Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.~~

~~Territory:~~

~~The Territory as provided in Section 2.4 of the Agreement is:~~

SCHEDULE 3
TO FRANCHISE AUTHORIZATION AGREEMENT
OWNER'S AGREEMENT

As a condition to the execution by FOR PREAUTHORIZED PAYMENT SERVICE

I (or We if there are joint owners of the account referenced later in this agreement) authorize and request ARCpoint Franchise Group, LLC ("**Franchisor**") of a ~~Franchise Agreement~~ with _____ ("**Franchisee**"), each of (the undersigned individuals ("**Owners**"), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, ~~covenant and agree to be bound by this Owner's Agreement~~ ("**Owner's Agreement**").

1. Acknowledgments.

1.1 ~~Franchise Agreement.~~ Franchisee entered into a franchise agreement with Franchisor effective as of _____, 20____ ("**Franchise Agreement**"). Capitalized words not defined in this Owner's Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 ~~Owners' Role.~~ Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other entity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to Franchisor if Franchisee's owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owner's Agreement as a condition to Franchisor's entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owner's Agreement.

2. Non-Disclosure and Protection of Confidential Information.

Under the Franchise Agreement, Franchisor will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to Franchisor's Confidential Information are hereby incorporated into this Owner's Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owner's Agreement as a direct and primary obligation of Owners. Further, Franchisor may seek the same remedies against Owners under this Owner's Agreement as Franchisor may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know how, techniques, and other data, which Franchisor designate as confidential, will also be deemed Confidential Information for purposes of this Owner's Agreement.

3. Covenant Not to Compete and To Not Solicit.

3.1 ~~Non-Competition and Non-Solicitation During and After the Term of the Franchise Agreement.~~ Owners acknowledge that as a participant in Franchisor's system, they will receive proprietary and Confidential Information, trade secrets, and the unique methods, procedures, and techniques which Franchisor has developed. The provisions of the Franchise Agreement governing Franchisee's

~~restrictions on competition and solicitation both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owner's Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owner's Agreement as a direct and primary obligation of Owners. Further, Franchisor may seek the same remedies against Owners under this Owner's Agreement as Franchisor may seek against Franchisee under the Franchise Agreement.~~

~~3.2 — Construction of Covenants. The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Owner's Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which Franchisor are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.~~

~~3.3 — Franchisor's Right to Reduce Scope of Covenants. Additionally, Franchisor has the right, in Franchisor's sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owner's Agreement, without Owner's consent (before or after any dispute arises), effective when Franchisor give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.~~

~~4. — Guarantee.~~

~~4.1 — Payment. Owners will pay Franchisor (or cause Franchisor to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment upon demand if Franchisee fails or refuses to punctually do so.~~

~~4.2 — Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.~~

~~4.3 — Indemnification. Owners will indemnify, defend, and hold harmless Franchisor, all of Franchisor's affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which Franchisor or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to Franchisor or any of Franchisor's affiliates) "Company" to obtain payment for all amounts I (we) owe to the Company pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by Franchisor to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.~~

~~4.4 — No Exhaustion of Remedies. Owners acknowledge and agree that Franchisor will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owner's Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.~~

~~4.5 — Waiver of Notice. Without affecting Owner's obligations under this Section 4, Franchisor can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.~~

~~4.6 — Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.~~

~~5. — Transfers.~~

~~Owners acknowledge and agree that Franchisor has granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring Franchisor's consent under the Franchise Agreement for which Franchisor's express written consent is not first obtained will be a material breach of this Owner's Agreement and the Franchise Agreement.~~

~~6. — Notices.~~

~~6.1 — Method of Notice. Any notices given under this Owner's Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.~~

~~6.2 — Notice Addresses. Franchisor's current address for all communications under this Owner's Agreement is:~~

~~ARCpoint Franchise Group, LLC
101 North Main Street, Suite 301
Greenville, SC 29601~~

~~The current address of each Owner for all communications under this Owner's Agreement is designated on the signature page of this Owner's Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.~~

~~7. — Enforcement of This Owner's Agreement.~~

~~7.1 — Dispute Resolution. Any claim or dispute arising out of or relating to this Owner's Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owner's Agreement.~~

~~7.2 — Choice of Law; Jurisdiction and Venue. This Owner's Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owner's Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.~~

~~7.3 — Provisional Remedies. Franchisor has the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owner's Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owner's~~

Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, Franchisor will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

~~8. Miscellaneous.~~

~~8.1 No Other Agreements. This Owner's Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owner's Agreement, other than those in this Owner's Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Owner's Agreement may be implied into this Owner's Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owner's Agreement), no amendment, change, or variance from this Owner's Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.~~

~~8.2 Severability. Each provision of this Owner's Agreement, and any portions thereof, will be considered severable. If any provision of this Owner's Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owner's Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e., to provide maximum protection for Franchisor and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.~~

~~8.3 No Third Party Beneficiaries. Nothing in this Owner's Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Owner's Agreement.~~

~~8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owner's Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owner's Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owner's Agreement refer to whatever Company and me (us), as these amounts become due by initiating a payment entry to my (our) account. The account number or gender the context requires. If more than one party or person is, name of financial institution, payment amount, and date on or immediately after which payment should be deducted from the account are identified below. In addition, I (we) authorize and request the financial institution, now referred to as Franchisee, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.~~

~~8.5 Binding Effect. This Owner's Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owner's Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.~~

~~8.6 Successors. References to "Franchisor" or "the undersigned," or "Franchisee" include the respective parties' heirs, successors, assigns, or transferees.~~

~~8.7 — Nonwaiver. Franchisor’s failure to insist upon strict compliance with any provision of this Owner’s Agreement shall not be a waiver of Franchisor’s right to do so. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor’s rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owner’s Agreement shall be cumulative.~~

~~No Personal Liability. Franchisee agrees that fulfillment of any and all of Franchisor’s obligations written in the Franchise Agreement or this Owner’s Agreement or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor’s sole the Bank, to accept the payment entries presented to the Bank and to deduct them from my (our) account without responsibility and none of Franchisor’s owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to Franchisee for any reason. for the correctness of these payments.~~

~~8.8 — Owner’s Agreement Controls. In the event of any discrepancy between this Owner’s Agreement and the Franchise Agreement, this Owner’s Agreement shall control.~~

~~IN WITNESS WHEREOF, the parties have entered into this Owner’s Agreement as of the Effective Date of the Franchise Agreement.~~

Franchisee Information:

Franchisee Name: _____ Franchise No.: _____

Payment Date: _____ Payment Frequency: _____

Your Bank Account Information:

FRANCHISOR: ARCPOINT FRANCHISE GROUP, LLC By: _____ Printed Name: _____ Title: _____ <u>Please attach a voided check and we will complete this information for you.</u> <u>Transit Routing Number:</u> _____ <u>Checking</u> <u>Account Number:</u> _____	OWNER(S): By: _____ _____ Printed Name: _____ _____ By: _____ _____ Printed Name: _____ _____
--	--

	<p>By: _____ _____</p> <p>Printed Name: _____ _____</p>
--	---

SCHEDULE _____ **4**

Bank Name: _____ Bank Address: _____

Your Name(s): _____
(please print)

Signature(s): _____

Date Signed: _____

ATTACHMENT III
TO FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP

Franchisee: _____ Proposed Trade Name (if different from above): _____

 _____:

Form _____ of _____ Ownership
 (~~Check One~~)(check one):

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

_____ Partnership _____ Corporation _____ Limited Liability Company

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

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

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

~~If a Limited Liability Company, give the state and date of formation, the name of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.~~

State and Date of Formation: _____

~~Management (managers, officers, board of directors, etc.):~~

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage of Stock

Franchisee acknowledges that _____

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

I hereby certify that I am authorized to execute this Statement of Ownership ~~applies to the ARCpoint Labs Business authorized under the Franchise Agreement.~~ on behalf of Franchisee.

Date signed _____ Use additional sheets if necessary: _____

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

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

FRANCHISEE:

Company Name

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANCHISEE:

Company Name

By: _____

Printed Name: _____

Title: _____

| **SCHEDULE 5**

ATTACHMENT IV
TO ~~THE~~ FRANCHISE AGREEMENT

AUTOMATIC BANK DRAFT AUTHORIZATION

Please complete the following with your banking information GUARANTY

IN CONSIDERATION of and ~~attach a voided check:~~

Company Name: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

Routing Number: _____

Account Number: _____

~~I hereby authorize to induce the consent by~~ ARCpoint Franchise Group, LLC, a South Carolina limited liability company (“Franchisor”) to enter into the ARCpoint Labs Franchise Agreement with _____ (“Franchisee”), and ~~AFG Services, LLC (“ARCpoint”)~~ for other good and the financial institution named above to initiate entries to my checking or savings accounts valuable consideration, each of the undersigned agrees as identified above in accordance with the terms of my franchise agreement and any terms and conditions for services provided in relation to my ARCpoint Labs Business, and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either ARCpoint or the above named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above referenced financial institution or up to 60 days after deposit, whichever occurs first. follows:

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

2.01. Waivers. The undersigned waive notice of acceptance of this Guaranty and of the incurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of

payment therefore on, any party. The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against Franchisee until Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full.

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

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

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

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

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

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

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

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

Executed by:

Signature: _____

~~Printed~~ Name: _____

Date: _____

Ownership Percentage of Person Signing: _____

Franchisee: _____ %

Title (if any): _____

Application Address: _____

Signature: _____

Name: _____

Date: _____

Telephone Number: _____

~~Applicant's~~ Ownership Percentage of Franchisee:
_____ %

Address: _____

Signature: _____

Name: _____

Date: _____

Ownership Percentage of Franchisee: _____ %

Address: _____

SCHEDULE 6

ATTACHMENT V
TO FRANCHISE AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

Instructions:

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

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

Recitals

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

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

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

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

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

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

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

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

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

NONDISCLOSURE AGREEMENT

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

COVENANTS NOT TO COMPETE

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

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

2. This Covenant Not to Compete shall apply:

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

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

MISCELLANEOUS

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

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

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

Attention: Chief Executive Officer

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

Attention: _____

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

[Signature page follows.]

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

FRANCHISEE: _____ FRANCHISEE AFFILIATE: _____

(Name of Franchisee)

Signature _____ Signature _____

Printed Name _____ Printed Name _____

Relationship of Franchisee Affiliate to Franchisee: _____

Home Address for Notices: _____

ATTACHMENT VI TO THE FRANCHISE AGREEMENT

FORM OF LEASE ADDENDUM

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

A. The parties hereto have entered into a certain Lease Agreement dated _____, 20____, _____, 2024, and pertaining to the premises located at _____ (“**Lease**”).

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

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

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

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

2. Default and Notice.

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

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

~~ARCpoint Franchise Group, LLC~~

~~North Main Street, Suite 301~~

~~Greenville, SC 29601~~

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

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

3. Termination or Expiration.

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

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

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

4. Consideration; No Liability.

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

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

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

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

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

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

LESSOR:

By: _____

Name: _____

Title: _____

LESSEE:

By: _____

Name: _____

Title: _____

SCHEDULE 1

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ (“Effective Date”), the _____ undersigned,

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

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

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

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

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

(Signatures on following page)

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

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNOR:

By: _____

Its: _____

ASSIGNEE:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Its: _____

Name: _____

Title: _____

EXHIBIT C

MULTI-FRANCHISE ADDENDUM

ARCPOINT FRANCHISE GROUP, LLC
MULTI-FRANCHISE ADDENDUM TO FRANCHISE AGREEMENTS

This Multi-Franchise Addendum (“MFA”) is ~~dated this~~ _____ day of _____, 20____ (~~“Effective Date”~~) ~~by and entered into~~ between ARCpoint Franchise Group, LLC, a South Carolina limited liability company (“Franchisor”) and _____ a (“Franchisee”) and is made effective as of the date beneath Franchisor’s signature to this Agreement (~~“Effective Date”~~).

WITNESSETH:

WHEREAS, RECITALS

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

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

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

1. INITIAL TRAINING FEE AND TECHNOLOGY FEES

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

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

1.2. DEVELOPMENT SCHEDULE:

~~1.2.1~~ Pursuant to the Franchise Agreements, within sixty (60) days of the Effective Date, Franchisee shall open Onsite/Online Operations for all of its ARCpoint Labs Businesses in each of its Territories.

~~1.2.2~~ Notwithstanding anything to the contrary in the Franchise Agreements, Franchisor and Franchisee further agree that Franchisee shall open ~~an Accepted Location~~ for Lab Operations at a brick and mortar Premises approved by Franchisor in each of its Territories pursuant to the following Development Schedule:

Lab Operations for each Territory	Deadline to Open <u>Commence</u> Lab Operations	Cumulative No. of Lab Operations to be in Operation
First	12 Months from Effective Date	1

Second	18 Months from Effective Date	2
Third	24 Months from Effective Date	3
Fourth	36 Months from Effective Date	4

~~1.3.2.3~~ The first ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at ~~an Accepted Location~~bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “First”. The second ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at ~~an Accepted Location~~bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “Second”. The third ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at ~~an Accepted Location~~bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “Third”. The fourth ARCpoint Lab Business to satisfy the requirements of commencing Lab Operations at ~~an Accepted Location~~bricks and mortar Premises approved by us within the relevant Territory shall be subject to the deadline listed above as “Fourth”.

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

3. MINIMUM PERFORMANCE REQUIREMENTS

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

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

~~1.4.3.3~~ If Franchisee fails to meet any Brick and Mortar Opening Deadline, then Franchisor may, in its sole discretion, terminate the Franchise Agreements for any of Franchisee’s ARCpoint Lab Businesses that have not commenced Lab Operations at brick and mortar Premises approved by Franchisor at the time of the breach. In the event of such termination, Franchisor will retain the Initial Franchise Fee for all opened and unopened ARCpoint Lab Businesses.

~~2. Initial Fees.~~

~~Notwithstanding anything to the contrary in the Franchise Agreements, Franchisee shall only be required to pay one (1) Initial Training Fee of \$12,500 and one (1) Business Development Training Fee of~~

~~§5,000. For avoidance of doubt, nothing in this MFA shall affect Franchisee's obligation to pay a separate Monthly Technology Fee under each of the Franchise Agreements.~~

~~3. Confidential Information~~

~~This MFA and the terms contained herein are deemed Confidential Information under the terms of the Franchise Agreement.~~

~~4. Entire Agreement~~

4. MISCELLANEOUS.

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

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

~~5. Effect of MFA~~

~~5.1.3~~ 4.3 In the event of ~~any inconsistency~~ a conflict between the terms of the ~~MFA and the Franchise Agreements~~ and this MFA, the terms of ~~the~~ this MFA ~~will supersede and shall~~ control. ~~In all other respects~~ Except as amended, modified or supplemented by this MFA, the terms and conditions of the Franchise ~~Agreements~~ Agreement are hereby ratified and confirmed.

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

IN WITNESS WHEREOF, the parties have executed this MFA.

FRANCHISOR:
ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

~~Company~~

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

Company Name

By: _____

Title:

Date: _____

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

~~If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed below.~~

~~Our registered agent in the State of South Carolina is: Felix Mirando, 355 Woodruff Road, Suite 302 Greenville, South Carolina 29607.~~

STATE ADMINISTRATORS

State	State Administrator	Agent for Service of Process in State, if Different than the State Regulatory Agency <u>We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:</u>
California	<p>Commissioner of Department of Financial Protection & Innovation (866) 275-2677 Los Angeles 320 West 4th Street Suite 750 Los Angeles, CA 90013-2344 (213) 897-2085 Los Angeles 300 S. Spring Street Suite 15513 Los Angeles, CA 90013-1259 (213) 897-2085 Sacramento 2101 Arena Boulevard Sacramento, CA 95834 (916) 445-7205 San Diego 1455 Frazee Road Suite 315 San Diego, CA 92108 (619) 610-2093 San Francisco One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565</p>	
Connecticut	<p>The Banking <u>CALIFORNIA</u> Commissioner <u>The of Financial Protection and Innovation</u> Department of Banking, Securities and Business Investment Division <u>Financial Protection and Innovation</u> 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299 <u>320 West Fourth Street, Suite 750</u> Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov</p>	<p>The Banking Commissioner <u>The NEW YORK</u> NYS Department of Banking, Securities and Business Investment Division <u>Law</u> 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299 <u>Investor Protection Bureau</u> 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222</p>

<p>Hawaii</p>	<p><u>HAWAII</u> <u>Commissioner of Securities</u> Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities <u>Compliance Branch</u> 335 Merchant Street, Room 205<u>203</u> Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>Commissioner of <u>NORTH DAKOTA</u> <u>North Dakota</u> Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 <u>State Capitol</u> <u>Department 414</u> <u>600 East Boulevard Avenue, Fourteenth Floor</u> <u>Bismarck, North Dakota 58505-0510</u> <u>(701) 328-4712</u></p>
<p>Illinois</p>	<p><u>ILLINOIS</u> <u>Illinois Office of the Attorney General</u> Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 <u>Illinois 62701</u> (217) 782-4465</p>	<p><u>RHODE ISLAND</u> <u>Department of Business Regulation</u> <u>Securities Division, Building 69, First Floor</u> <u>John O. Pastore Center</u> <u>1511 Pontiac Avenue</u> <u>Cranston, Rhode Island 02920</u> <u>(401) 462-9527</u></p>
<p>Indiana</p>	<p>INDIANA Securities Division Secretary of State Franchise Section Room E-111 302 W. West Washington Street, <u>Room E-111</u> Indianapolis, Indiana 46204 (317) 232-6681</p>	<p>Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531 <u>SOUTH DAKOTA</u> <u>Division of Insurance</u> <u>Securities Regulation</u> <u>124 South Euclid Avenue, 2nd Floor</u> <u>Pierre, South Dakota 57501</u> <u>(605) 773-3563</u></p>
<p>Kentucky</p>		<p>Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300</p>
<p>Maryland</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD <u>Maryland</u> 21202-2021<u>2020</u> (410) 576-6360</p>	<p>Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 <u>VIRGINIA</u> <u>State Corporation Commission</u> <u>Division of Securities and Retail Franchising</u> <u>1300 East Main Street, 9th Floor</u> <u>Richmond, Virginia 23219</u> <u>(804) 371-9051</u></p>

Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1 st Floor Lansing, MI 48909 (517) 373-7117	
Minnesota	Minnesota Department of Commerce- Securities Unit 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 (800) 657-3602	Minnesota Department of Commerce- Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 (800) 657-3602
Nebraska	Nebraska Department of Banking and Finance 1200 N Street Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law- Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 212 416 8222	Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fourteenth Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard, Suite 414 Bismarck, ND 58505 (701) 328-4712
Oregon	Oregon Division of Financial Regulation 350 Winter Street NE, Suite 410 Salem, Oregon 97301 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex 69-1 Cranston, RI 02920-4407 (401) 462-9500	

South Dakota	Division of Insurance- Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-773-3563	
Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission- Division of Securities and Retail Franchising Tyler Building 1300 East Main Street 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission- 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733

Washington	<u>MICHIGAN</u> <u>Michigan Attorney General's Office</u> <u>Corporate Oversight Division, Franchise Section</u> <u>525 West Ottawa Street</u> <u>G. Mennen Williams Building, 5th Floor</u> <u>Lansing, Michigan 48913</u> <u>(517) 335-7567</u>	<u>WASHINGTON</u> Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA <u>Washington</u> 98504- 1200 (360) 902- 8700 <u>8760</u>	Department of Financial Institutions- 150 Israel Road SW Tumwater, WA 98501 1 (877) 746- 4334
Wisconsin	Division of Securities <u>MINNESOTA</u> <u>Minnesota</u> Department of Financial <u>Commerce</u> Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-0448 <u>85 7th Place East,</u> <u>Suite 280</u> <u>St. Paul, Minnesota 55101</u> <u>(651) 539-1600</u>	Administrator, <u>WISCONSIN</u> Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	

EXHIBIT B
FINANCIAL STATEMENTS

EXHIBIT C
FRANCHISE AGREEMENT

EXHIBIT D

STATE ADDENDA TO FRANCHISE AGREEMENT



AGENTS FOR SERVICE OF PROCESS

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

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

EXHIBIT E

~~MULTI-FRANCHISE ADDENDUM~~

EXHIBIT F

~~CONFIDENTIAL OPERATIONS~~ ADDITIONAL STATE REQUIRED FDD DISCLOSURES

CALIFORNIA ADDENDUM TO THE ADDITIONAL DISCLOSURE DOCUMENT
DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA

~~As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.~~

~~The “Risk Factors” on the second page of the Disclosure Document are amended to also include the following:~~

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

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

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

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

~~Item 3 of the Additional Disclosure Document is amended by adding.~~ The following ~~paragraph~~statement is added to Item 3:

Neither we nor any person ~~or franchise broker~~listed in Item 2 ~~of this 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. 78a et seq., suspending or expelling ~~these persons~~such parties from membership in ~~this~~such association or exchange.

~~Item 5 of the Additional Disclosure Document. The following statement is amended as follows~~added to Item 5:

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

~~Item 17 of the 6. Additional Disclosure Document is amended by adding.~~ The following ~~paragraphs~~statement is added to Item 6:

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

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

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

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

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

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

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

The Franchise Agreement requires ~~that any litigation be conducted~~binding arbitration. The arbitration will occur in ~~South Carolina. This provision may not be enforceable under~~ Fulton County, Georgia. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California ~~law.~~

and federal laws (such as Business and Professions Code Section 31125 of the 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Agreement restricting venue to a forum outside the Department of Financial Protection and Innovation before we ask you to consider a material modification ~~State~~ of your franchise agreement. ~~California.~~

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

You must sign a general release ~~of claim~~if you transfer the rights granted under the franchise and multi-unit agreements and if you renew ~~or transfer~~ your franchise. These provisions may not be enforceable under California law. California Corporations Code ~~§~~Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code ~~§§~~Sections 31000 through 31516). Business and Professions Code ~~§20010~~Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code ~~§§~~Sections 20000 through 20043).

~~Our website is located at~~ www.ARCpointLabs.com

~~OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT~~ www.dfpi.ca.gov

~~Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.~~

~~22. Additional Disclosure. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11. U.S.C.A. Sec. 101 et. seq.).~~

~~The California Department of Financial Protection and Innovation has not reviewed, and makes no following statement concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine or dentistry. 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 Dental Board, or any other agency overseeing the practice of medicine or dentistry 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.~~ is added to Item 22:

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

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

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

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

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

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 85 ILCS 15/2. 5 (West 2014); Medical Practice Act of 1987, 225 ILCS 60/ (West 2014); and Prohibition Against Fee Splitting at 225 ILCS 60/22.2 (West 2014).

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

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

Items 5 and 7, Additional Disclosure.

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

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

~~The~~ Illinois law governs the Franchise Agreement.

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

~~The Act prohibits choice~~ Your rights upon termination and non-renewal are set forth in sections 19 and 20 of law provisions that would require the application of any laws except the laws of the state of Illinois (Franchise Disclosure Act.

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

~~You cannot waive any of your rights given to you by the Act (Section 41). You may have other rights under the Act or other laws of the state of Illinois.~~

~~To the extent that the Franchise Agreement is inconsistent with Illinois law, the inconsistent terms of the Franchise Agreement will not be enforced, and the terms of the applicable Illinois law shall apply.~~

No statement, questionnaire, or ~~acknowledgement~~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.

INDIANA ADDENDUM TO THE DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

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

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

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

NOTICE

ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN

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

~~Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:~~

~~(a)~~ A prohibition on the right of a franchisee to join an association of franchisees.

~~(b)~~ A requirement that ~~the~~ franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

~~(c)~~ A provision that permits a franchisor to terminate a franchise prior to the expiration of its ~~term~~ 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~~ 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 ~~six~~ (6) months advance notice of ~~franchisor's~~ 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 ~~or~~ 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~~ franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

~~The fact there is a notice of this offering~~

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

Any questions regarding ~~this notice should be~~ these Additional Disclosures shall be directed to the Department of the Attorney General, ~~State of Michigan~~ Consumer Protection Division, 670 ~~Williams~~ Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, ~~telephone~~ (517) 373-7117.

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

MARYLAND ADDENDUM TO THE DISCLOSURE DOCUMENT

Item 5 is amended as follows:

~~Based upon the franchisor's financials condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers under the multi-franchise addendum, shall be deferred until the first franchise under the franchise addendum opens.~~

Sections (c) and (l) of Item 17 are amended by adding **ADDITIONAL EDD DISCLOSURES
REQUIRED BY REQUIRED
BY THE STATE OF MINNESOTA**

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

~~Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

Item 17 is amended by adding the following language after the table:

~~You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.~~

~~The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.).~~

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

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises With respect to licenses governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. ~~1. Minn. Stat. §80C.21 and Minn. Rule 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 agreements 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.~~

With respect to franchises governed by Minnesota law, the franchisor ~~law, we~~ will comply with Minn. Stat. Sec. Minnesota Statute § 80C.14 Subds. subdivisions 3, 4, and 5 which require ~~(requires, except in certain specified cases),~~ that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement ~~and that consent to the transfer of the franchise will not be unreasonably withheld~~ agreements.

2. ~~2. 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.~~

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

3. ~~3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Statute § 80C.21 and Minnesota Statutes 80C.12, Subd. 1(g).~~

4. ~~4. Minnesota Rules 2860.4400(D) prohibits a franchisor~~ Rule 2860.4400J prohibit us from requiring a franchisee to assent to a general release.

5. ~~5. 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.~~

The Limitations of Claims section must comply with ~~litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Section Chapter 80C.17, Subd. 5, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~

3. General Release. The following statement is added to Item 617:

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

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

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

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

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

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

~~6. — Items 5 and 7 of the Disclosure Document are amended as follows: All initial franchise fees will be deferred until the franchisee opens for business.~~

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

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

NEW YORK ADDENDUM TO THE DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDITIONAL DISCLOSURES
REQUIRED BY THE STATE OF NORTH DAKOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

~~As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.~~

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

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

A. Restrictive Covenants: ~~To the extent Franchise disclosure documents that disclose the existence of covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.~~

~~Applicable Laws: North Dakota law will govern the franchise agreement.~~

- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
- C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: ~~Any~~ Requiring North Dakota franchises to consent to the waiver of a trial by jury ~~will not apply to North Dakota Franchises.~~
- G. Waiver of Exemplary & Punitive Damages: ~~Any~~ Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive ~~damages will not apply to North Dakota Franchisees~~ damage.
- H. General Release: ~~Any requirement~~ Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement ~~does not apply to franchise agreements covered under North Dakota law.~~
- I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: ~~Any requirement in the~~ Franchise ~~Agreement~~ Agreements that ~~requires~~ require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement ~~is void. Instead,~~ The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
- ~~No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~
- K. All initial franchise fees will be deferred until initial obligations owed to franchisee under the Franchise Agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the Franchise Agreement.

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

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES

~~As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.~~

~~Item 17.m. of the Disclosure Document is revised to provide:~~

REQUIRED BY THE STATE OF RHODE ISLAND

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

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

The provision of this Additional Disclosure shall be effective only to the extent any such restriction is purported to be required by us, it is void, with respect to all franchisees governed under such provision, that the laws of Rhode Island jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure. The Additional Disclosure shall have no force or effect if such jurisdictional requirements are not met.

~~Item 17.w. of the Disclosure Document is revised to provide: Rhode Island law applies.~~

~~Item 17 is revised to add the following language to the end:~~

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

SOUTH DAKOTA ADDENDUM TO THE

ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES

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

REQUIRED BY THE COMMONWEALTH OF VIRGINIA-ADDENDUM TO THE DISCLOSURE DOCUMENT

~~As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.~~

Initial Fees, Item 5. The following is added to Item 5 ~~is amended as follows:~~

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

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

~~"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."~~

~~In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for ARCpoint Franchise Group, LLC for use in the Commonwealth of Virginia shall be amended as follows:~~

~~Additional Disclosure. The following statements are added to Item 8 and Item 17.h.~~

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

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

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

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

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON-ADDENDUM

TO THE DISCLOSURE DOCUMENT

The ~~state of~~ provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington ~~has a statute~~; (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, ~~which~~ may supersede ~~the Franchise Agreement and Supplemental Agreements~~ 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 ~~which may that~~ supersede the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor. Franchise agreement provisions, including the areas of termination those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

~~Site of Arbitration, Mediation, and renewal of your Franchise. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.~~

~~3.~~ /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.

~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.~~

~~4.~~ General Release. A release or waiver of rights ~~executed by a~~ in the franchise agreement or related agreements purporting to bind the franchisee ~~shall not include rights to waive compliance with any provision~~ under the Washington Franchise Investment Protection Act or any ~~rule rules~~ or ~~order 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. ~~Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable. The FDD, the Franchise Agreement and the Supplemental Agreements are amended accordingly.~~ 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~~reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The ~~FDD~~franchisee may terminate the franchise agreement ~~and~~under any grounds permitted under state law.
- ~~3.~~8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the ~~Supplemental Agreements~~franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are ~~amended accordingly~~unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- ~~4.~~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~~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~~inflation). As a result, any ~~provisions~~provision contained in the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.
- ~~5.~~15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
- ~~6.~~19. Fee Deferral. The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until ~~the franchisor has~~we have fulfilled ~~its~~our initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because ~~the Franchisor has~~we have material pre-opening obligations with respect to each franchised business ~~the Franchisee opens~~you will open under the Multi Franchise Addendum, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

~~The “Summary” section of Item 17(d) is revised to state “Franchisee may terminate under any grounds permitted by law.”~~

~~Exhibit G-1 to the Franchise Disclosure Document (“General Release”) is revised to state that, “The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.”~~

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

~~The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Carefully evaluate any information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.~~

WISCONSIN ADDENDUM TO THE DISCLOSURE DOCUMENT

~~As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.~~

1. ~~Item 17 is modified to also provide,~~

~~If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.~~

~~With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.~~

2. ~~Item 17 is further modified to include the following language at the end:~~

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

EXHIBIT E

STATE AGREEMENT ADDENDA

California

Illinois

Maryland

Minnesota

North Dakota

Rhode Island

Virginia

Washington

CALIFORNIA ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

~~1. Notwithstanding anything to the contrary in the Franchise Agreement, and in accordance with California Business and Professions Code, Div. 8, Chapter 5.5, Sections 20000-20043 (the "California Franchise Relations Act") and specifically Article 3, Sections 20020 and 20021 thereof, Franchisor may only terminate this Agreement without notice and an opportunity to cure for any of the following reasons:~~

~~(a) The Franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the Franchisee admits his or her inability to pay his or her debts as they come due;~~

~~(b) The Franchisee abandons the franchise by failing to operate the business for five consecutive days during which the Franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the Franchisor to conclude that the Franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the Franchisee's control;~~

REQUIRED FOR CALIFORNIA FRANCHISEES

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

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

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

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

~~(c) The Franchisor and franchisee agree in writing to terminate the franchise;~~

~~(d) The Franchisee makes any material misrepresentations relating to the acquisition~~following is added to the end ~~of the franchise business or the Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation~~Section 19 ~~of the Franchise business or system;~~

~~(e) The Franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;~~

~~(f) The Franchisee, after curing any failure in accordance with Sections 14.3 or 14.4 engages in the same noncompliance whether or not such noncompliance is corrected after notice;~~

~~(g) The Franchisee breaches the Franchise Agreement three or more times in a 12-month period, whether or not corrected after notice;~~

~~1.2. The ARCpoint Labs Business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the Franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the Franchise Agreement or upon any property used in the ARCpoint Labs Business, and it is not discharged within five days of such levy;~~

~~(h) The Franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;~~

~~(i) The Franchisee fails to pay any franchise fees or other amounts due to the Franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or~~

~~(j) The Franchisor makes a reasonable determination that continued operation of the franchise by the Franchisee will result in an imminent danger to public health or safety.~~

~~2. Pursuant to the California Franchise Relations Act and specifically Article 3 Section 20020 thereof, Franchisor may terminate this Agreement, after sending Franchisee notice and a 60-day opportunity to cure, for any other breach of this Agreement.~~

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

~~3. The Department has determined that we, the franchisor, have not demonstrated that we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees how sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.~~

ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____

By: _____ By: _____

Title: _____ Title: _____

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

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

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

~~ILLINOIS~~ ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

REQUIRED FOR ILLINOIS FRANCHISEES

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

1. Illinois law governs the Franchise Agreement.

~~1. 815 ILCS 705/41 provides as follows: “Sec. 41. Waivers void. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.”~~

~~2. Payment of Initial Franchise Fees will be deferred until the Franchisor has met its pre-opening obligations to Franchisee, and Franchisee has commenced operating its first ARCpoint Labs Business. If a Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until the Franchisor has met its pre-opening obligations to Franchisee with respect to the first ARCpoint Labs Business to be opened under the MFA and Franchisee has commenced operating its first ARCpoint Labs Business.~~

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

3. ~~Franchisee’s~~Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

~~4.5.~~ No statement, questionnaire, or ~~acknowledgement~~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.

~~ARCPOINT FRANCHISE GROUP, LLC:~~ _____ ~~Franchisee:~~ _____

By: _____ By: _____

Title: _____ Title: _____

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

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

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

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

~~MARYLAND~~ ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

REQUIRED FOR MARYLAND FRANCHISEES

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

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Maryland; (B) Franchisee is a resident of the State of Maryland; and/or (C) the franchised ARCpoint Labs business will be located or operated in the State of Maryland.

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

Based upon ~~the franchisor’s financials~~ Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by ~~franchisees~~ Franchisee 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 under the multi-franchise addendum, shall be deferred until the first franchise under the franchise addendum opens.~~

~~1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.~~

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

3. The following is added to the end of Sections 3.04 and 14.03(c) of the Franchise Agreement:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. ~~This~~ The following is added to the end of Section 16.03 of the Franchise Agreement ~~provides that certain disputes are resolved through litigation in South Carolina. A franchisee may sue in Maryland for:~~

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

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

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or ~~acknowledgement~~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.

~~2. Sections 23.1 and 23.3 of the Franchise Agreement are hereby deleted.~~

~~ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____~~

~~By: _____ By: _____~~

~~Title: _____ Title: _____~~The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

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

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

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

FRANCHISEE:

ARCPOINT FRANCHISE GROUP, LLC.

If an individual:

By: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Date: _____

Effective Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

~~MINNESOTA~~ ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

- ~~1. Minn. Stat. §80C.21 and Minn. Rule 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 agreements 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.~~

REQUIRED FOR MINNESOTA FRANCHISEES

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

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Minnesota; (B) Franchisee is a resident of the State of Minnesota; and/or (C) the franchised ARCpoint Labs business will be located or operated in the State of Minnesota.

2. The following sentences are added to the end of Section 5.02:

Notwithstanding the foregoing, in the State of Minnesota, Franchisor will defer the payment of the Initial Franchise Fee until Franchisee opens the Franchised Business. Upon the opening of the Franchised Business, Franchisee shall pay the Initial Franchise Fee to Franchisor.

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

3. The following sentence is added to the end of Sections 3.04 and 14.03(c):

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. The following sentences are added to the end of Section 6:

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, Franchisor will protect Franchisee’s right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of Franchisor’s primary trade name.

5. The following sentence is added to the end of Section 13:

With respect to franchises governed by Minnesota law, ~~the~~ Franchisor will comply with ~~Minn. Stat. Sec. Minnesota Statute § 80C.14~~ Subds., Subdivisions 3, 4, and 5, which ~~require~~ requires, except
ARCpoint Franchise Group, LLC FDD 1

in certain ~~specified cases~~), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of ~~the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld~~ franchise agreements.

- ~~2. The Franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logos 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.~~
- ~~3. Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).~~
- ~~4. Minnesota Rules 2860.4400(D) prohibits a Franchisor from requiring a franchisee to assent to a general release.~~
- ~~5. The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.~~
- ~~6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. Also, a court will determine if a bond is required.~~
- ~~7. Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.~~

6. The following sentences are added to the end of Section 16:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisor cannot require Franchisee to waive its rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not ban an exclusive arbitration clause.

7. The following sentence is added to the end of Section ~~9.99~~ of 16.03:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

~~1.8.~~ Except as expressly modified by this Addendum, the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113 remains unmodified and in full force and effect.

- ~~8. The Franchise Agreement is amended as follows: All initial franchise fees will be deferred until the franchisee opens for business.~~

[signatures on following page]

~~ARCPOINT FRANCHISE GROUP, LLC:~~ _____ ~~Franchisee:~~ _____

~~By:~~ _____ ~~By:~~ _____

~~Title:~~ _____ ~~Title:~~ _____

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

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

~~NORTH DAKOTA~~ ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

~~All initial~~ REQUIRED FOR NORTH DAKOTA FRANCHISEES

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

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise fees to Franchisee was made in the State of North Dakota; (B) Franchisee is a resident of the State of North Dakota; and/or (C) the franchised ARCpoint Labs business will be located or operated in the State of North Dakota.

2. The following sentences are added to the end of Section 5.02:

Notwithstanding the foregoing, in the State of North Dakota, Franchisor will defer the payment of the Initial Franchise Fee until Franchisee opens the Franchised Business. Upon the opening of the Franchised Business, Franchisee shall pay the Initial Franchise Fee to Franchisor.

If Franchisee executes multiple franchise agreements in connection with a Multi-Franchise Addendum (“MFA”), then the Initial Franchise Fees for all of the franchise agreements subject to the MFA will be deferred until ~~initial~~ Franchisor has met its pre-opening obligations ~~owed~~ to Franchisee with respect to the first ARCpoint Labs Business to be opened under the franchise agreement or other documents have been fulfilled by the franchisor MFA and ~~the~~ Franchisee has commenced ~~doing business pursuant to the franchise agreement~~ operating its first ARCpoint Labs Business.

3. ~~Franchisee is not required~~ The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchises to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

1. ~~The I. Limitation of Claims: Franchise Agreement is amended~~ Agreements that require the franchisee to also provide as follows:

~~“Covenants not consent to compete are generally considered unenforceable in the State of North Dakota.”~~

2. ~~All matters coming a limitation of claims. The statute of limitations under the North Dakota Franchise Investment Law may be brought in the courts of North Dakota.~~

North Dakota law ~~governs any cause of action arising out of the Franchise~~ applies.

3. ~~J. Enforcement of Agreement.~~

~~Any requirement in the Franchise Agreement~~ Agreements that requires require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____

By: _____ By: _____

Title: _____ Title: _____

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

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

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

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By:

Name:

Title:

Effective Date:

FRANCHISEE:

If an individual:

Signature:

Name:

Date:

[If an entity:]

By:

Name:

Title:

~~RHODE ISLAND~~ **ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT
REQUIRED FOR RHODE ISLAND FRANCHISEES**

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

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

The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of a franchise to Franchisee was made in the State of Rhode Island; (B) Franchisee is a resident of the State of Rhode Island; and/or (C) the franchised ARCpoint Labs business will be located or operated in the State of Rhode Island.

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

- ~~1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.~~
Any provides that “A provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment this Act.”
- ~~2. Any provision in the Franchise Agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.~~
- ~~3. The Rhode Island Franchise Investment Act stipulates that Franchisee cannot release or waive any rights granted under this Act. Any provision of this Franchise Agreement, which constitutes a waiver of rights granted under the Act, is superseded.~~

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

ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____

By: _____ By: _____

2. Title: _____ Title: _____ Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

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

4. This Addendum may be executed in multiple counterparts, each of which when executed and

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

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC.

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

~~VIRIGINA~~ ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT & MULTI-UNIT ADDENDUM
REQUIRED FOR VIRGINIA FRANCHISEES

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

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

The Virginia State Corporations Commission’s Division of Securities and Retail Franchising requires ~~us~~ Franchisor to defer payment of the Initial Franchise Fee and other initial payments owed by ~~franchisees~~ Franchisee to ~~the~~ Franchisor until ~~the~~ Franchisor has completed its pre-opening obligations under the Franchise Agreement, and the Franchised Business has opened for business.

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

~~ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____~~

~~By: _____ By: _____~~

~~Title: _____ Title: _____~~

~~Date: _____ Date: _____~~

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

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

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

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

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

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Addendum.

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

~~WASHINGTON~~ ADDENDUM TO THE ARCPOINT LABS FRANCHISE AGREEMENT &
MULTI-UNIT ADDENDUM
REQUIRED FOR WASHINGTON FRANCHISEES

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

Background. The ~~state of~~ provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Agreement regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington ~~has a statute~~; (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.

~~1.2.~~ Franchisee Bill of Rights. RCW 19.100.180, ~~which~~ may supersede provisions in the Franchise Agreement ~~in Franchisee’s or related agreements concerning your~~ relationship with the franchisor, including in the areas of termination and renewal ~~rights of Franchisee’s~~ your franchise. There may also be court decisions that ~~may~~ supersede the Franchise Agreement ~~in Franchisee’s or related agreements concerning your~~ relationship with the franchisor. Franchise agreement provisions, including the areas of termination and renewal of Franchisee’s franchise those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

~~2.3.~~ 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.

~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.~~

~~3.4.~~ General Release. A release or waiver of rights ~~signed by the Franchisee shall not include 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 ~~rule~~ rules or ~~order~~ 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. ~~Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights, or remedies under the Act such as a right to a jury trial may not be enforceable.~~ 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.

- ~~4.6.~~ **Transfer Fees.** Transfer fees are collectable only to the extent that they ~~reflect~~reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- ~~7.~~ **Termination by Franchisee.** The franchisee may terminate the Franchise Agreement under any grounds permitted under state law.
- ~~8.~~ **Certain Buy-Back Provisions.** Provisions in Franchise Agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the Franchise Agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
- ~~9.~~ **Fair and Reasonable Pricing.** Any provision in the Franchise Agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- ~~10.~~ **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- ~~11.~~ **Franchisor's Business Judgement.** Provisions in the Franchise Agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- ~~12.~~ **Indemnification.** Any provision in the Franchise Agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- ~~13.~~ **Attorneys' Fees.** If the Franchise Agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- ~~5.14.~~ **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~~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~~inflation). As a result, any ~~provisions~~provision contained in the Franchise Agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.
- ~~6.15.~~ **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.

~~The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi Franchise Addendum, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.~~

~~Section 23.3 of the Franchise Agreement does not apply in Washington.~~

~~7.16. No statement, questionnaire, or acknowledgement~~ Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~17. The franchisor uses the services of franchise brokers to assist it in selling franchises.~~ 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).

~~8.18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.~~

~~Except to the extent modified above, all other terms and provisions of the Franchise Agreement shall remain in full force and effect.~~

~~19. The undersigned does hereby acknowledge receipt of~~ Fee Deferral. The State of Washington has imposed a financial condition under which the Initial Franchise Fees due will be deferred until Franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because Franchisor has material pre-opening obligations with respect to each Franchised Business Franchisee opens under the Multi-Franchise Addendum, the State of Washington will require that the Initial Franchise Fees be released proportionally with respect to each Franchised Business.

IN WITNESS WHEREOF, the parties have executed this Addendum.

ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____

By: _____ By: _____

Title: _____

FRANCHISOR:

ARCPOINT FRANCHISE GROUP, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Title: _____

FRANCHISEE:

If an individual:

Signature: _____

Name: _____

Date: _____

[If an entity:]

By: _____

Name: _____

Title: _____

**WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT**

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

~~1. If the Franchise Agreement contains any provision that conflicts with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.~~

~~2. The Franchise Agreement is amended to also include the following language:~~

~~With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal, or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.~~

~~3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~ARCPOINT FRANCHISE GROUP, LLC: _____ Franchisee: _____~~

~~By: _____ By: _____~~

~~Title: _____ Title: _____~~

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R.	Performance Evaluations.....	141(Total pages 2 ½)
S.	Discipline and Termination.....	143(Total pages 2 ½)
T.	Resignation and Termination.....	145(Total pages 4)
U.	Good Employee Management Practices.....	149(Total pages ½)
V.	Getting Legal Help with Employment Law Issues.....	149(Total pages ½)
Daily Operating Procedures (Section 5)		150 (Total pages 1)
A.	Suggested Operating Hours.....	150(Total pages 1 ½)
B.	Customer Service Philosophy.....	151(Total pages 1 ½)
C.	Service Procedures.....	153(Total pages 3 ½)
D.	Merchandising Procedures.....	156(Total pages ½)
E.	Clinical Authority Instructions.....	156(Total pages 2 ½)
F.	Handling Late Payments from Clients.....	159(Total pages 2)
G.	Transacting Sales.....	160(Total pages 2 ½)
H.	Inventory Management.....	162(Total pages 2)
I.	Operational and Financial Reporting Requirements.....	164(Total pages 1)
J.	Financial Management.....	164(Total pages 1 ½)
K.	Accounting Processing.....	165(Total pages 13 ½)
Business Development/Sales Procedures (Section 6)		180 (Total pages 1)
A.	The First Year.....	181(Total pages 1 ½)
B.	The Sales Process.....	182(Total pages 25)
Marketing (Section 7).....		207
A.	Overview of Services Provided to Franchisees.....	207(Total pages ½)
B.	Promoting Business in the Area.....	207(Total pages 1 ½)
C.	Required Marketing Expenditures.....	208(Total pages 1 ½)
D.	Online Scheduling and Ecommerce.....	209(Total pages ½)
E.	Local Marketing.....	209(Total pages 2 ½)
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G.	Obtaining Marketing Approval.....	213(Total pages ½)

EXHIBIT G

H

LIST OF CURRENT AND FORMER FRANCHISEES

EXHIBIT H

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

Current Franchisees List of Franchised Businesses as of December 31, 2023

<u>Franchisee Entity Name</u>	<u>Contact Person</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>	<u>Phone</u>
<u>Business Lab Solutions, Inc.</u>	Terry Pouncey	5510 Highway 280 South Suite 215	Birmingham	AL	35242	205-968-1090
Kevin Concannon <u>Caron Grason Corporation</u>	<u>Damon Hadder</u>	7812 E Acoma Drive <u>5920 Grelot Rd. Suite E</u>	Scottsdale <u>Mobil e</u>	AZ <u>AZ</u>	852603 <u>6609</u>	480-939-4656 <u>251-725-0091</u>
Jessica Hanson <u>Ozark Diagnostics lab</u>	<u>Sultan Ali</u>	2979 West Elliot Road <u>5204 South Thompson Street Suite 4B</u>	Tempe-Chandler <u>Springdale</u>	AZ <u>AZ</u>	852247 <u>2764</u>	480-590-6124 <u>479-365-7083</u>
<u>ARCpoint Labs of Tucson</u>	Wendell Long	6401 S Country Club Rd Suite 105	Tucson	AZ	85706	520-230-8900
<u>Central California Testing, Inc.</u>	Leslie Elliott - Katy Houchin	7737 Meany Avenue Suite B-9	Bakersfield	CA	93308	661-679-6799
<u>DKBK Enterprises, INC</u>	Doug Kimball	43823 10th Street W	Lancaster	CA	93534	661-945-1011
Bob Duncan <u>Hummocks Holdings, LLC</u>	<u>Harry Pershing</u>	2320 S. Robertson Blvd Suite 102	Los Angeles	CA	90034	310-862-4333
<u>San Joaquin Labs, LLC</u>	<u>Talwinder Singh & Connie Howells</u>	<u>119 N. Maple Ave Suite A</u>	<u>Manteca</u>	<u>CA</u>	<u>95336</u>	<u>209-629-8282</u>
<u>Evia Diagnostics, LLC</u>	Maya Patel	3237 Alhambra Ave Suite 2	Martinez	CA	94553	925-957-6870
<u>Computersmiths LLC</u>	Belle Smith	24560 Silver Cloud Ct Suite 103	Monterey Bay	CA	93940	831-324-0772
<u>SLM Diagnostics, LLC</u>	Scott Murphy	405 Boulder Court Suite 100	Pleasanton	CA	94566	925-236-1700
<u>Silver Moon Holdings, Inc.</u>	Luis Luna	6681 Blue Oaks Blvd Suite 1	Roseville	CA	95765	279-300-2700
<u>Forest Row, Inc.</u>	Craig Trenton	1578 Howe Ave.	Sacramento	CA	95825	916-565-0400
<u>Computersmiths LLC</u>	Belle Smith	635 Sanborn Place Suite 24	Salinas	CA	93901	831-975-4313
<u>ZOLEA</u>	<u>Lauren Wilson</u>	<u>3434 Midway Dr. Suite 1004</u>	<u>San Diego</u>	<u>CA</u>	<u>92110</u>	<u>209-495-2760</u>
<u>RRAB Laboratories Inc</u>	<u>Ani Sanyal</u>	<u>25 14h Street Suite 160</u>	<u>San Jose</u>	<u>CA</u>	<u>95112</u>	<u>732-261-0464</u>
<u>Evia Diagnostics, LLC</u>	Maya Patel	4340 Redwood Hwy, Suite A-33	San Rafael	CA	94903	415-475-4620

<u>Franchisee Entity Name</u>	<u>Contact Person</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>	<u>Phone</u>
SoCal Diagnostic Labs Inc.	Asad Abu-Tarif	3500 South Bristol Street Suite 205	Santa Ana	CA	92704	949-210-9024
Oliver Enterprises, Inc.	Theresa Oliver	8620 Sorensen Avenue Suite #4	Santa Fe Springs	CA	90670	562-696-3033
Raj Anthony Pillai	899 Silas Deane Hwy Suite 01	Wethersfield	CT	06109	860-356-0020	
Eurova Ventures LLC	Didi Barzackha	4910 Massachusetts Avenue NW Suite 219	Washington	D.C. DC	20016	202-808-3389
ADK Diagnostics LLC	Dmitriy Kim	2300 Pennsylvania Ave Suite 2AB	Wilmington	DE	19806	302-932-4565
Laboratory Testing of Central Florida, Inc.	Jim Carmona	774 Northlake Boulevard Suite 1008	Altamonte Springs	FL	32701	407-951-7575
Khyati Patel Akshil LLC	141 N. Oakwood Kapil Harkhani	Brandon 1880 59th St West	Bradenton	FL	335103 4209	813-395-0000 941-251-4958
Leyana Medical Laboratory	Damineh Oveisi	1969 Sunset Points Rd	Clearwater	FL	33765	813-464-5563
Chris Mayer Padilla & Moscoloni LLC	Marina Padilla	4989 West Atlantic Avenue	Delray Beach	FL	33445	561-576-9700
Shivalay LLC	Tapan Vora	11150 N Williams Street Suite 101B	Dunnellon	FL	34432	352-489-4960
Demara Laboratory Services	Rachel Demara	930 Mar Walt Drive	Fort Walton Beach	FL	32547	850-468-4602
Intracostal Labs AP Jax, LLC	Randi Beesing	11363 San Jose Blvd. Suite 100	Jacksonville	FL	32223	904-676-0238
FL - LLC	Bobby Patel	8290 SW Hwy 200	Ocala	FL	34481	352-509-7890
Foster Labs, LLC	Jay Trumbull	913 Harrison Avenue	Panama City	FL	32401	850-215-4248
C Harrison Health LLC	Clifford Gray	135 SW Port St. Lucie Blvd	Port St Lucie	FL	34984	772-732-2028
Gulf Coast Ocean Insights LLC	Breck Miller	4713 66th St N	Saint Petersburg	FL	33709	727-209-7090
NNDL Inc.	Nancy Erickson	3410 Magic Oak Lane	Sarasota	FL	34232	941-388-7745
Royal Quail Business Solutions LLC	Akinkawon Frierson	2744 US-1 South	St. Augustine	FL	32086	888-890-1054 ext 1001

ARCpoint Franchise Group, LLC FDD
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Franchisee <u>Entity Name</u>	<u>Contact Person</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>	<u>Phone</u>
<u>Florida Medical Labs, Inc.</u>	<u>Roopal Shah - Jwalant Bhatt</u>	<u>2901 W Busch Blvd STE 206</u>	<u>Tampa</u>	<u>FL</u>	<u>33618</u>	<u>813-618-5227</u>
<u>Florida Medical Labs, Inc.</u>	<u>Roopal Shah - Jwalant Bhatt</u>	<u>1933 North Pinellas Avenue</u>	<u>Tarpon Springs</u>	<u>FL</u>	<u>34689</u>	<u>727-609-5227</u>
<u>Gryffins Talon LLC</u>	<u>Chris Mayer</u>	<u>5601 Corporate Way Suite 108</u>	<u>West Palm Beach</u>	<u>FL</u>	<u>33407</u>	<u>561-420-0010</u>
<u>Alex Rodriguez</u>	<u>Alex Rodriguez</u>	<u>16210 Indian Trace</u>	<u>Weston</u>	<u>FL</u>	<u>33326</u>	<u>954- 234-4950</u>
<u>PNP 2 INC INV</u>	<u>Parvish Meradia</u>	<u>125 Atlanta Street</u>	<u>Barnesville</u>	<u>GA</u>	<u>30204</u>	<u>470-592-2109</u>
<u>S&S Health Solutions, LLC</u>	<u>Ali Akdeniz</u>	<u>3635 Savannah Place Drive</u>	<u>Duluth</u>	<u>GA</u>	<u>30096</u>	<u>470-508-4330</u>
<u>Barks Group, Inc</u>	<u>Steve Keever</u>	<u>664 Lanier Park Drive Suite B</u>	<u>Gainesville</u>	<u>GA</u>	<u>30501</u>	<u>770-297-5070</u>
<u>CAPHEALTH LLC</u>	<u>Paul Chukelu</u>	<u>11230 Alpharetta Highway Suite 116</u>	<u>Roswell</u>	<u>GA</u>	<u>30076</u>	<u>770-639-3237</u>
<u>SJS Medical Labs, LLC</u>	<u>Steve Slater</u>	<u>1860 W. Winchester Rd</u>	<u>Libertyville</u>	<u>IL</u>	<u>60048</u>	<u>847-485-0808</u>
<u>Gist Entities, LLC</u>	<u>Ebonie Gist</u>	<u>11006 W 179th Street</u>	<u>Orland Park</u>	<u>IL</u>	<u>60467</u>	<u>708-963-1200</u>
<u>Live Health LLC</u>	<u>Eugene Pride</u>	<u>3855 E 96th St Suite E</u>	<u>Indianapolis</u>	<u>IN</u>	<u>46240</u>	<u>317-437-1852</u>
<u>McGarvey Labs, LLC</u>	<u>Scott McGarvey</u>	<u>8174 Mall Road</u>	<u>Florence</u>	<u>KY</u>	<u>41042</u>	<u>859-444-6700</u>
<u>Sanchez Clinical Diagnostic Services, LLC</u>	<u>Alex Sanchez</u>	<u>152 West Tiverton Way, Suite 120</u>	<u>Lexington</u>	<u>KY</u>	<u>40503</u>	<u>859-346-3330</u>
<u>BDC Lab Service, LLC</u>	<u>Brandi Cothren</u>	<u>11135 Industriplex Boulevard Suite 1100</u>	<u>Baton Rouge</u>	<u>LA</u>	<u>70809</u>	<u>225-289-5138</u>
<u>MADVACAR, LLC</u>	<u>Todd Rowland</u>	<u>7043 Hwy 190 East Service Road Suite A</u>	<u>Covington</u>	<u>LA</u>	<u>70433</u>	<u>985-273-5544</u>
<u>Drug and Wellness Screenings LLC</u>	<u>Lanette Duggan</u>	<u>5-11 Drydock Ave Suite 2020</u>	<u>Boston</u>	<u>MA</u>	<u>02210</u>	<u>617-340-2500</u>
<u>Arbor Wellness LLC</u>	<u>Matt Pappas</u>	<u>420 Washington Street Suite 100</u>	<u>Braintree</u>	<u>MA</u>	<u>02184</u>	<u>781-385-4990</u>
Greg Archer <u>Global Digitine, LLC</u>	<u>Gauri Bhalakia</u>	3221 NW 10th Terrace <u>333 Turnpike Rd Suite 508</u> <u>103</u>	Fort-Lauderdale <u>Southborough-Framingham</u>	FL <u>MA</u>	33309 <u>01772</u>	954-667-7908 <u>508-281-0501</u>

~~ARCpoint Franchise Group, LLC FDD~~
April 8, 2024

Franchisee Entity Name	Contact Person	Address	City	State	ZIP	Phone
<u>Arbor Wellness LLC</u>	<u>Matt Pappas</u>	<u>400 West Cummings Park Suite 3500</u>	<u>Woburn</u>	<u>MA</u>	<u>01801</u>	<u>781-460-6020</u>
<u>Global Digitine, LLC</u>	<u>Gauri Bhalakia</u>	<u>324 Grove Street</u>	<u>Worcester</u>	<u>MA</u>	<u>01605</u>	<u>774-230-5632</u>
<u>NAP MD, LLC</u>	<u>Nirav Patel</u>	<u>6020 Meadowridge Center Drive Suite O</u>	<u>Columbia</u>	<u>MD</u>	<u>21075</u>	<u>410-781-1776</u>
<u>OMG Holdings LLC</u>	<u>Robert Goodman</u>	<u>6 Post Office Road Suite 102</u>	<u>Waldorf</u>	<u>MD</u>	<u>20602</u>	<u>301-645-5227</u>
<u>Latifa Inc.</u>	<u>Nasreen Akhter</u>	<u>14690 Galaxie Ave #110</u>	<u>Apple Valley</u>	<u>MN</u>	<u>55124</u>	<u>651-400-9388</u>
<u>Kahlert Companies, Inc.</u>	<u>Paul Kahlert</u>	<u>7685 Parklawn Avenue Suite 200</u>	<u>Edina</u>	<u>MN</u>	<u>55435</u>	<u>952-513-7174</u>
<u>Rapid Mobile Testing, LLC</u>	<u>Fahima Abdi</u>	<u>21897 South Diamond Lake Road Suite 650</u>	<u>Rogers</u>	<u>MN</u>	<u>55374</u>	<u>612-662-7884</u>
<u>MJB Industries, LLC</u>	<u>Josh Becker</u>	<u>3795-3793 New Town Blvd Suite 3769</u>	<u>St. Charles</u>	<u>MO</u>	<u>63301</u>	<u>636-410-8271</u>
<u>Lambert Health, Inc.</u>	<u>Scott Lambert</u>	<u>11255 Olive Blvd</u>	<u>St. Louis</u>	<u>MO</u>	<u>63141</u>	<u>314-597-6767</u>
<u>Pandya & Treasurer, LLC</u>	<u>Hetal Pandya</u>	<u>1960 Randolph Road Suite 201</u>	<u>Charlotte</u>	<u>NC</u>	<u>28207</u>	<u>980-375-5426</u>
<u>ANB Wellness, Inc.</u>	<u>Bryan Johnson</u>	<u>10410 Park Road Suite 200</u>	<u>Charlotte</u>	<u>NC</u>	<u>28210</u>	<u>704-704-6176</u>
<u>Bajwa Enterprises</u>	<u>Moe Bajwa</u>	<u>10320 Mallard Creek Rd Suite 180</u>	<u>Charlotte</u>	<u>NC</u>	<u>28262</u>	<u>704-900-8278</u>
<u>Pine Dog Group, Inc.</u>	<u>Jeff Allen</u>	<u>605 S. Reilly Road Suite 104</u>	<u>Fayetteville</u>	<u>NC</u>	<u>28314</u>	<u>910-758-5168</u>
<u>Pine Dog Group, Inc.</u>	<u>Jeff Allen</u>	<u>2315 Executive Circle Suite B</u>	<u>Greenville</u>	<u>NC</u>	<u>27834</u>	<u>252-215-5688</u>
<u>SVWS Enterprises, LLC</u>	<u>Chris Sochacki</u>	<u>1252 26th St SE</u>	<u>Hickory</u>	<u>NC</u>	<u>28602</u>	<u>828-483-5800</u>
<u>Pine Dog Group, Inc.</u>	<u>Jeff Allen</u>	<u>3221 Henderson Drive</u>	<u>Jacksonville</u>	<u>NC</u>	<u>28546</u>	<u>910-330-0500</u>
<u>Pine Dog Group, Inc.</u>	<u>Jeff Allen</u>	<u>2500 Trent Road Suite 34</u>	<u>New Bern</u>	<u>NC</u>	<u>28562</u>	<u>252-514-8049</u>
<u>SAILAB, LLC</u>	<u>Senthil Kumar</u>	<u>3813 Junction Blvd</u>	<u>Raleigh</u>	<u>NC</u>	<u>27603</u>	<u>919-338-7904</u>
<u>SAILAB, LLC</u>	<u>Senthil Kumar</u>	<u>3326 Durham Chapel Hill Blvd Suite A 110</u>	<u>Raleigh-Durham</u>	<u>NC</u>	<u>27707</u>	<u>919-338-7900</u>
<u>Songhai LLC</u>	<u>Tene Osahar</u>	<u>2242 W. Roosevelt Suite E</u>	<u>Wadesboro</u>	<u>NC</u>	<u>28110</u>	<u>704-777-1114</u>

Franchisee <u>Entity Name</u>	<u>Contact Person</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>	<u>Phone</u>
<u>Neelon Labs, LLC</u>	<u>Jeff Neelon</u>	<u>3726 Vest Mill Road</u>	<u>Winston-Salem</u>	<u>NC</u>	<u>27103</u>	<u>336-999-8298</u>
<u>KamBino, Inc.</u>	<u>Scott Kaminski</u>	<u>310 Regency Parkway Suite 110</u>	<u>Omaha</u>	<u>NE</u>	<u>68114</u>	<u>402-505-9191</u>
<u>PKClemens Enterprises LLC</u>	<u>JP Clemens</u>	<u>1542 Kuser Rd Unit B-4</u>	<u>Trenton-Hamilton</u>	<u>NJ</u>	<u>08619</u>	<u>609-557-3350</u>
<u>Dewi Sant, Inc.</u>	<u>Calvi Nightingale</u>	<u>3365 East Flamingo Road Suite 4</u>	<u>Las Vegas</u>	<u>NV</u>	<u>89121</u>	<u>702-451-5434</u>
<u>McGarvey Labs, LLC</u>	<u>Scott McGarvey</u>	<u>4357 Ferguson Drive Suite 130</u>	<u>Cincinnati</u>	<u>OH</u>	<u>45245</u>	<u>513-653-6600</u>
<u>Medical Testing Services, Inc.</u>	<u>Saran Palaniswamy</u>	<u>1335 Dublin Road Suite 118-E</u>	<u>Columbus</u>	<u>OH</u>	<u>43215</u>	<u>614-484-5115</u>
<u>New Horizon Clinicians, Inc.</u>	<u>Oreste Cerilli</u>	<u>3019 Production Court</u>	<u>Dayton</u>	<u>OH</u>	<u>45414</u>	<u>937-306-6038</u>
<u>Zakeri Clinical Testing Inc.</u>	<u>Betty Zakeri</u>	<u>1487 West Main Street</u>	<u>Tipp City</u>	<u>OH</u>	<u>45371</u>	<u>937-877-3034</u>
<u>Onpoint Labs, Inc.</u>	<u>Laura Cavanaugh</u>	<u>580 Office Parkway, Suite 140</u>	<u>Westerville</u>	<u>OH</u>	<u>43082</u>	<u>614-714-6000</u>
<u>Starlight Labs LLC</u>	<u>Satish Patel</u>	<u>2126 S. Meridian Avenue</u>	<u>Oklahoma City</u>	<u>OK</u>	<u>73108</u>	<u>405-724-2010</u>
<u>First Chouse Labs LLC</u>	<u>Shelly Sagar</u>	<u>2010 SE 182nd Ave</u>	<u>Portland</u>	<u>OR</u>	<u>97233</u>	<u>503-334-0100</u>
<u>BSK Laboratories</u>	<u>Bob Kondraske</u>	<u>275 South Main Street Suite #4</u>	<u>Doylestown</u>	<u>PA</u>	<u>18901</u>	<u>215-230-3879</u>
<u>Shivesh Inc</u>	<u>Bhavin Pathak</u>	<u>205 Grandview Avenue Suite 303</u>	<u>Harrisburg</u>	<u>PA</u>	<u>17011</u>	<u>717-562-4940</u>
<u>R.M. Sykes, Inc.</u>	<u>Rob Sykes</u>	<u>1012 West Ninth Avenue Suite 130</u>	<u>King of Prussia</u>	<u>PA</u>	<u>19406</u>	<u>484-370-2725</u>
Jitendra Suman <u>Roniks, LLC</u>	<u>Khushroo Shroff</u>	4350 Fowler <u>233 S. 6th Street #Unit C-2</u>	Fort Myers <u>Philadelphia</u>	FL <u>PA</u>	33901 <u>19106</u>	239-931-1036 <u>267-639-3342</u>
<u>Roniks, LLC</u>	<u>Khushroo Shroff</u>	<u>4022 Market Street</u>	<u>Philadelphia</u>	<u>PA</u>	<u>19104</u>	<u>267-639-3342</u>
<u>Three Rivers Lab Testing, LLC</u>	<u>Jean DeFilippis</u>	<u>8158 Perry Highway</u>	<u>Pittsburgh</u>	<u>PA</u>	<u>15237</u>	<u>724-906-4086</u>
<u>ANB Wellness, Inc.</u>	<u>Bryan Johnson</u>	<u>725 Cherry Rd, Suite 157A</u>	<u>Rock Hill</u>	<u>SC</u>	<u>29732</u>	<u>803-818-2120</u>

Franchisee <u>Entity Name</u>	<u>Contact Person</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>	<u>Phone</u>
<u>KVS Holdings LLC</u>	<u>Keith Sands</u>	<u>6102 Shallowford Road Suite 102</u>	<u>Chattanooga</u>	<u>TN</u>	<u>37421</u>	<u>423-468-3734</u>
<u>Middle Tennessee Labs LLC</u>	<u>Craig Parker</u>	<u>2525 Perimeter Place Drive Suite 106</u>	<u>Nashville</u>	<u>TN</u>	<u>37214</u>	<u>865-412-4232</u>
<u>PLASA Inc.</u>	<u>Paul Casterlin</u>	<u>6448 East Hwy 290 Suite E105</u>	<u>Austin</u>	<u>TX</u>	<u>78723</u>	<u>512-772-5110</u>
<u>Rocklio Labs LLC</u>	<u>Mark Miller</u>	<u>4100 Fairway Ct Suite 100</u>	<u>Carrollton</u>	<u>TX</u>	<u>75010</u>	<u>469-613-4008</u>
<u>PLASA Inc.</u>	<u>Paul Casterlin</u>	<u>921 West New Hope Drive Suite 103B</u>	<u>Cedar Park</u>	<u>TX</u>	<u>78613</u>	<u>512-767-1116</u>
<u>Lane Diagnostics, LLC</u>	<u>Don and Ann Lane</u>	<u>2508 W 2nd Ave</u>	<u>Corsicana</u>	<u>TX</u>	<u>75110</u>	<u>903-874-9007</u>
<u>Neroli Corporation</u>	<u>Olaleye Olaosebikan</u>	<u>12312 Barker Cypress Rd Suite 1200</u>	<u>Cypress</u>	<u>TX</u>	<u>77429</u>	<u>832-632-3157</u>
<u>True Providence Labs LLC</u>	<u>Godwin Awhen</u>	<u>8067 W. Virginia Dr Suite 101</u>	<u>Dallas</u>	<u>TX</u>	<u>75237</u>	<u>214-774-9544</u>
<u>Peridot Ventures LLC</u>	<u>Quanique Johnson</u>	<u>2721 Shoreline Drive Suite 120</u>	<u>Denton</u>	<u>TX</u>	<u>76207</u>	<u>469-648-3300</u>
<u>Quies Investments</u>	<u>Scott Callis</u>	<u>2757 Airport Freeway</u>	<u>Fort Worth</u>	<u>TX</u>	<u>76111</u>	<u>682-707-5474</u>
<u>Livingwell Labs LLC</u>	<u>Gerald Okafor</u>	<u>5224 South Hwy 360, Suite 225</u>	<u>Grand Prairie</u>	<u>TX</u>	<u>75052</u>	<u>214-235-0371</u>
<u>Datoba International, LLC</u>	<u>Vincent Balogun</u>	<u>7447 Harwin Drive Suite A 103</u>	<u>Houston</u>	<u>TX</u>	<u>77036</u>	<u>832-285-3132</u>
<u>Legacy Labs LLC</u>	<u>Celsey Sandburg</u>	<u>11200 Northwest Freeway Suite 500</u>	<u>Houston</u>	<u>TX</u>	<u>77092</u>	<u>832-583-0050</u>
<u>Jeremy Luong</u>	<u>Jeremy Luong</u>	<u>17903 West Lake Houston Parkway</u>	<u>Humble</u>	<u>TX</u>	<u>77346</u>	<u>717-864-6852</u>
<u>Quies Investments</u>	<u>Scott Callis</u>	<u>8925 Sterling Street Suite 255</u>	<u>Irving</u>	<u>TX</u>	<u>75063</u>	<u>469-209-7400</u>
<u>KMC Health Services</u>	<u>Kemka Hekerem</u>	<u>21777 Merchants Way Suite 420</u>	<u>Katy</u>	<u>TX</u>	<u>77449</u>	<u>713-832-9993</u>
<u>Johnna Stotts Davis, LLC</u>	<u>Johnna Davis</u>	<u>2511 US Hwy 281 Suite 300</u>	<u>Marble Falls</u>	<u>TX</u>	<u>78654</u>	<u>830-320-3926</u>
<u>Chilka Labs LLC</u>	<u>Dr. Sessa Chary</u>	<u>244 Farm to Market Rd 306 #122</u>	<u>New Braunfels</u>	<u>TX</u>	<u>78130</u>	<u>210-844-3026</u>

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Franchisee <u>Entity Name</u>	<u>Contact Person</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>	<u>Phone</u>
<u>Evnics Labs Inc</u>	<u>Dac Jackson</u>	<u>8217 Mid Cities Blvd Suite 300</u>	<u>North Richland Hills</u>	<u>TX</u>	<u>76182</u>	<u>817-518-7613</u>
<u>Ravy Group LLC</u>	<u>Richard Duarte</u>	<u>1139 Southeast Military Drive Suite 108</u>	<u>San Antonio</u>	<u>TX</u>	<u>78214</u>	<u>726-208-7892</u>
<u>Advanced Technology & Testing Solutions, LLC</u>	<u>Pat Prokop</u>	<u>9920 Highway 90 A Suite 160 D</u>	<u>Sugar Land</u>	<u>TX</u>	<u>77478</u>	<u>346-279-0097</u>
<u>Hypeman Supply and Logistics Services Coy LLC</u>	<u>Remi Afonja</u>	<u>107 Ranch Road 620 S Suite 111AB</u>	<u>The Hills</u>	<u>TX</u>	<u>78734</u>	<u>512-361-7935</u>
<u>S and S Diagnostics, Inc</u>	<u>Shyam Venkataraman</u>	<u>2520 Research Forest Dr Suite 400</u>	<u>The Woodlands</u>	<u>TX</u>	<u>77381</u>	<u>936-283-4099</u>
<u>TP Wellness Labs and Technology Testing Solutions LLC</u>	<u>Timika Pierce</u>	<u>13223 River's Bend Blvd.</u>	<u>Chester</u>	<u>VA</u>	<u>23836</u>	<u>804-750-5900</u>
<u>Global Biomed Laboratories INC</u>	<u>Denis Tebit</u>	<u>2955 Market St. NE Suite B2</u>	<u>Christiansburg</u>	<u>VA</u>	<u>24073</u>	<u>540-251-5171</u>
<u>Bajwa Enterprises</u>	<u>Moe Bajwa</u>	<u>462 Herndon Pkwy Unit 103</u>	<u>Herndon</u>	<u>VA</u>	<u>20170</u>	<u>703-689-2721</u>
<u>Global Biomed Laboratories INC</u>	<u>Denis Tebit</u>	<u>20276 Timberlake Road</u>	<u>Lynchburg</u>	<u>VA</u>	<u>24502</u>	<u>434-813-1717</u>
<u>NEB, LLC</u>	<u>Michelle Bratcher</u>	<u>2004 Bremo Rd. Suite 103</u>	<u>Richmond</u>	<u>VA</u>	<u>23226</u>	<u>804-592-2652</u>
<u>Global Biomed Laboratories INC</u>	<u>Denis Tebit</u>	<u>1627 E. Main Street</u>	<u>Salem</u>	<u>VA</u>	<u>24153</u>	<u>540-524-2822</u>
<u>Cascade Northwest Services</u>	<u>Brett Kinney</u>	<u>4220 Meridian Street Suite 101</u>	<u>Bellingham</u>	<u>WA</u>	<u>98226</u>	<u>360-922-0275</u>
<u>Cascade Northwest Services</u>	<u>Brett Kinney</u>	<u>17306 Smokey Point Drive Suite 19</u>	<u>Marysville</u>	<u>WA</u>	<u>98223</u>	<u>360-322-7626</u>
<u>Neo Pacific Corporation</u>	<u>Taylor Collyer</u>	<u>4300 Talbot Road S. Bldg 200</u>	<u>Renton</u>	<u>WA</u>	<u>98055</u>	<u>425-264-5251</u>
<u>Neo Pacific Corporation</u>	<u>Taylor Collyer</u>	<u>4636 East Marginal Way South Suite B 250</u>	<u>Seattle</u>	<u>WA</u>	<u>98134</u>	<u>206-455-8970</u>
<u>ISMM Clinical LLC</u>	<u>Inderjit Deol</u>	<u>1818 South Union Avenue, Suite 2A</u>	<u>Tacoma</u>	<u>WA</u>	<u>98405</u>	<u>253-523-2800</u>

Franchisees That Signed Franchise Agreements But Their Outlets Were Not Open as of December 31, 2024

<u>Franchisee</u> <u>Entity Name</u>	<u>Address</u> <u>Franchisee</u>	<u>City</u> <u>Phone</u> <u>Number</u>	<u>State</u> <u>City</u>	<u>ZIP</u> <u>State</u>	<u>Phone</u> <u>ZIP</u>
Rachel Demara <u>Business Lab Solutions, Inc.</u>	930 Mar Walt Drive <u>Terry Pouncey</u>	Fort Walton Beach <u>205-305-2801</u>	FL <u>Chelsea</u>	32547 <u>AL</u>	850-468-4602 <u>35043</u>
<u>Amit Chauhan</u>	<u>Amit Chauhan</u>	<u>519-980-2413</u>	<u>Scottsdale</u>	<u>AZ</u>	<u>85032</u>
<u>Negawnee Enterprises, Inc.</u>	<u>Wendell Long</u>	<u>520-800-9235</u>	<u>Tucson</u>	<u>AZ</u>	<u>85710</u>
<u>Forest Row, Inc.</u>	<u>Craig Trenton</u>	<u>898-405-6766</u>	<u>Brentwood</u>	<u>CA</u>	<u>94513</u>
<u>Evia Diagnostics, LLC</u>	<u>Maya Patel</u>	<u>650-400-0009</u>	<u>Pacifica</u>	<u>CA</u>	<u>94044</u>
<u>Evia Diagnostics, LLC</u>	<u>Maya Patel</u>	<u>650-400-0009</u>	<u>Pacifica</u>	<u>CA</u>	<u>94044</u>
<u>Evia Diagnostics, LLC</u>	<u>Maya Patel</u>	<u>415-971-9033</u>	<u>Pacifica</u>	<u>CA</u>	<u>94044</u>
<u>Silver Moon Holdings, Inc.</u>	<u>Luis Luna</u>	<u>916-778-9417</u>	<u>Rockville</u>	<u>CA</u>	<u>95765</u>
Tess Relampagos <u>ZOLEA</u>	11363 San Jose Blvd. Suite 100 <u>Lauren Wilson</u>	Jacksonville <u>209-495-2760</u>	FL <u>San Diego</u>	32223 <u>CA</u>	904-676-0238 <u>92110</u>
Jim Carmona <u>ZOLEA</u>	716 N. John Young Parkway <u>Lauren Wilson</u>	Kissimmee <u>209-495-2760</u>	FL <u>San Diego</u>	34741 <u>CA</u>	407-329-34741 <u>92110</u>
Eugenia Zabala <u>ZOLEA</u>	7305 Southwest 107th Avenue <u>Lauren Wilson</u>	Miami <u>209-495-2760</u>	FL <u>San Diego</u>	33173 <u>CA</u>	786-469-1050 <u>92110</u>
Sam Fahmy	619 East Colonial Drive	Orlando	FL	32803	407-974-4589
Jay Trumbull	913 Harrison Avenue	Panama City	FL	32401	850-215-4248
Breck Miller <u>ZOLEA</u>	4713 66th St N <u>Lauren Wilson</u>	Saint Petersburg <u>209-495-2760</u>	FL <u>San Diego</u>	33709 <u>CA</u>	727-209-7090 <u>92110</u>
Naney Erickson <u>Oliver Enterprises, Inc.</u>	3410 Magic Oak Lane <u>Theresa Oliver</u>	Sarasota <u>925-628-9141</u>	FL <u>Whitter</u>	34232 <u>CA</u>	941-388-7745 <u>90601</u>

Akinkawon Frierson <u>Oliver Enterprises, Inc.</u>	2744 US-1 South <u>Theresa Oliver</u>	St-Augustine <u>925-628-9141</u>	FL <u>Whitter</u>	32086 <u>CA</u>	888-890-1054 <u>ext-100190601</u>
Khyati Patel <u>Eurova Ventures LLC</u>	2901 W Busch Blvd STE 206 <u>Barzachka Kirkov</u>	Tampa <u>703-965-0338</u>	FL <u>Washington</u>	33618 <u>D.C.</u>	813-618-5227 <u>20155</u>
Roopal Shah Jwalant Bhatt <u>JRC ARCpoint Labs LLC</u>	1933 North Pinellas Avenue <u>Roopal Shah - Jwalant Bhatt</u>	Tarpon Springs <u>813-395-0000</u>	FL <u>Brandon</u>	34689 <u>FL</u>	727-609-5227 <u>33510</u>
Chris Mayer <u>Padilla & Moscoloni, LLC</u>	5601 Corporate Way Suite 108 <u>Marina Padilla</u>	West Palm Beach <u>561-576-9700</u>	FL <u>Delray Beach</u>	33407 <u>FL</u>	561-420-0010 <u>33445</u>
Alex Rodriguez <u>DOC Business Enterprise Company</u>	16210 Indian Trace <u>Doc Ojukwu</u>	Weston <u>305-785-5424</u>	FL <u>Hialeah</u>	33326 <u>FL</u>	954-234-4950 <u>33015</u>
Hassan Choudhury <u>Gryffins Talon LLC</u>	550 Pharr Rd Suite 200 <u>Chris Mayer</u>	Atlanta <u>305-323-9629</u>	GA <u>The Villages</u>	30305 <u>FL</u>	678-973-0045 <u>32162</u>

Parvish Meradia	125 Atlanta Street	Barnesville	GA	30204	470-592-2109
Eddie Swaggard-Green	3150 Golf Ridge Boulevard Suite 101	Douglasville	GA	30135	716-308-6266

Monte McDowell <u>S&S Health Solutions LLC</u>	3635 Savannah Place Drive <u>Ali Akdeniz</u>	Duluth <u>470-508-4330</u>	GA <u>Duluth</u>	30096 <u>GA</u>	470-508-4330 <u>30096</u>
Steve Keever <u>Barks Group Inc</u>	664 Lanier Park Drive Suite B <u>Steve Keever</u>	Gainesville <u>770-335-9912</u>	GA <u>Dunwoody</u>	30501 <u>GA</u>	770-297-5070 <u>30038</u>
Paul Chukelu <u>Barks Group Inc</u>	11230 Alpharetta Highway Suite 116 <u>Steve Keever</u>	Roswell <u>770-335-9912</u>	GA <u>Dunwoody</u>	30076 <u>GA</u>	770-639-3237 <u>30038</u>
Ebonie Gist <u>MADVACAR, LLC</u>	2593 Ogden Avenue <u>Todd Rowland</u>	Downers Grove <u>504-520-0010</u>	IL <u>Mandeville</u>	60515 <u>LA</u>	630-454-6140 <u>70471</u>
Steve Slater <u>Drug and Wellness Screenings LLC</u>	1860 W. Winchester Rd <u>Lanette Duggan</u>	Libertyville <u>978-578-4458</u>	IL <u>Boston</u>	60048 <u>MA</u>	847-485-0808 <u>02210</u>
Ebonie Gist <u>Drug and Wellness Screenings LLC</u>	11006 W 179th Street <u>Lanette Duggan</u>	Orland Park <u>978-578-4458</u>	IL <u>Boston</u>	60467 <u>MA</u>	708-963-1200 <u>02210</u>

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Mezgebe Gebre Kiristos Health Fitness, LLC	1375 Remington Road Suite A Shoaib Khan	Schaumburg 2097-430-124	IL Gaithersburg	60173 MD	847-306-6011 20882
<u>Latifa Inc</u>	<u>Nasreen Akther</u>	<u>614-383-51864</u>	<u>Minneapolis</u>	<u>MN</u>	<u>55124</u>
<u>SAILAB, LLC</u>	<u>Senthil Kumar</u>	<u>702-809-1595</u>	<u>Cary</u>	<u>NC</u>	<u>27519</u>
<u>SAILAB, LLC</u>	<u>Senthil Kumar</u>	<u>919-999-7805</u>	<u>Morrisville</u>	<u>NC</u>	<u>27560</u>
<u>Neelon Labs, LLC</u>	<u>Jeff Neelon</u>	<u>336-442-5695</u>	<u>Winston- Salem</u>	<u>NC</u>	<u>27103</u>
<u>Neelon Labs, LLC</u>	<u>Jeff Neelon</u>	<u>910-258-4706</u>	<u>Winston-Salem</u>	<u>NC</u>	<u>27103</u>
<u>KamBino, Inc</u>	<u>Scott Kaminski</u>	<u>402-536-0747</u>	<u>Omaha</u>	<u>NE</u>	<u>68007</u>
<u>PKClemens Enterprises LLC</u>	<u>JP Clemens</u>	<u>609-902-2366</u>	<u>Lawrenceville</u>	<u>NJ</u>	<u>08648</u>
<u>PKClemens Enterprises LLC</u>	<u>JP Clemens</u>	<u>609-902-2366</u>	<u>Lawrenceville</u>	<u>NJ</u>	<u>08648</u>
<u>Dewi Sant, Inc</u>	<u>Calvi Nightingale</u>	<u>702-451-5434</u>	<u>Las Vegas</u>	<u>NV</u>	<u>89121</u>
Scott McGarvey Labs, LLC	8174 Mall Road Scott McGarvey	Florence 513-653-6600	KY Cincinnati	41042 OH	859-444-6700 45245
Alex Sanchez Medical Testing Services, Inc.	152 West Tiverton Way, Suite 120 Saran Palaniswamy	Lexington 614-218-3553	KY Columbus	40503 OH	859-346-3330 43215
<u>Starlight Labs LLC</u>	<u>Satish Patel</u>	<u>405-819-7343</u>	<u>Oklahoma City</u>	<u>OK</u>	<u>73108</u>
<u>Starlight Labs LLC</u>	<u>Tina Patel</u>	<u>405-819-7343</u>	<u>Oklahoma City</u>	<u>OK</u>	<u>73108</u>
<u>BSK Laboratories</u>	<u>Bob Kondraske</u>	<u>215-219-4086</u>	<u>Doylestown</u>	<u>PA</u>	<u>18902</u>
<u>BSK Laboratories</u>	<u>Bob Kondraske</u>	<u>215-219-4086</u>	<u>Doylestown</u>	<u>PA</u>	<u>18902</u>
<u>R.M. Sykes, Inc.</u>	<u>Rob Sykes</u>	<u>215-803-0518</u>	<u>Glenside</u>	<u>PA</u>	<u>19038</u>

<u>Three Rivers Lab Testing, LLC</u>	<u>Jean DeFilippis</u>	<u>412-302-9313</u>	<u>Wexford</u>	<u>PA</u>	<u>15090</u>
<u>Three Rivers Lab Testing, LLC</u>	<u>Jean DeFilippis</u>	<u>412-302-9313</u>	<u>Wexford</u>	<u>PA</u>	<u>15090</u>
<u>Three Rivers Lab Testing, LLC</u>	<u>Jean DeFilippis</u>	<u>412-302-9313</u>	<u>Wexford</u>	<u>PA</u>	<u>15090</u>
<u>Three Rivers Lab Testing, LLC</u>	<u>Jean DeFilippis</u>	<u>412-302-9313</u>	<u>Wexford</u>	<u>PA</u>	<u>15090</u>
<u>KVS Holdings LLC</u>	<u>Keith Sands</u>	<u>423-468-3734</u>	<u>Chattanooga</u>	<u>TN</u>	<u>37421</u>
<u>PLASA Inc.</u>	<u>Paul Casterlin</u>	<u>512-423-5653</u>	<u>Austin</u>	<u>TX</u>	<u>78738</u>
<u>Chilka Labs LLC</u>	<u>Dr. Sessa Chary</u>	<u>830-584-0040</u>	<u>Boerne</u>	<u>TX</u>	<u>78006</u>
<u>Lane Diagnostics, LLC</u>	<u>Don Lane</u>	<u>903-641-8305</u>	<u>Corsicana</u>	<u>TX</u>	<u>75110</u>
<u>Quies Investments</u>	<u>Scott Callis</u>	<u>940-453-5943</u>	<u>Lake Dallas</u>	<u>TX</u>	<u>75065</u>
<u>Quies Investments</u>	<u>Scott Callis</u>	<u>940-453-5943</u>	<u>Lake Dallas</u>	<u>TX</u>	<u>75065</u>
<u>Advanced Technology & Testing Solutions, LLC</u>	<u>Pat Prokop</u>	<u>847-977-2916</u>	<u>Sugar Land</u>	<u>TX</u>	<u>77478</u>
<u>Bajwa Enterprises</u>	<u>Moe Bajwa</u>	<u>704-223-3402</u>	<u>Herndon</u>	<u>VA</u>	<u>20170</u>
<u>Cascade Northwest</u>	<u>Brett Kinney</u>	<u>425-344-8300</u>	<u>Stanwood</u>	<u>WA</u>	<u>98292</u>
<u>ISMM Clinical LLC</u>	<u>Inderjit Deol</u>	<u>253-523-2800</u>	<u>Tacoma</u>	<u>WA</u>	<u>98405</u>
<u>Durocher Enterprises Inc.</u>	<u>Renee Durocher</u>	<u>920- 800-5111</u>	<u>Green Bay</u>	<u>WI</u>	<u>54311</u>
<u>Durocher Enterprises Inc.</u>	<u>Renee Durocher</u>	<u>920- 800-5111</u>	<u>Green Bay</u>	<u>WI</u>	<u>54311</u>
<u>SJS Medical Labs, LLC</u>	<u>Steve Slater</u>	<u>847- 819-2356</u>	<u>Kenosha</u>	<u>WI</u>	<u>53140</u>

Franchisee	Address	City	State	ZIP	Phone
Brandi Cothren	11135 Industriplex Boulevard Suite-1100	Baton Rouge	LA	70809	225-289-5138
Todd Rowland	7043 Hwy 190 East Service Road-Suite A	Covington	LA	70433	985-273-5544
Lanette Duggan	5-11 Drydock Ave Suite 2020	Boston	MA	02210	617-340-2500
Matt Pappas	420 Washington Street Suite 100	Braintree	MA	02184	781-385-4990
Gauri Bhalakia	333 Turnpike Rd Suite 103	Southborough-Framingham	MA	01772	508-281-0501
Matt Pappas	400 West Cummings Park Suite 3500	Woburn	MA	01801	781-460-6020
Gauri Bhalakia	324 Grove Street	Worcester	MA	01605	774-230-5632
Nirav Patel	6020 Meadowridge Center Drive Suite-0	Columbia	MD	21075	410-781-1776
Robert Goodman	6 Post Office Road Suite 102	Waldorf	MD	20602	301-645-5227
Nasreen Akhter	14690 Galaxie Ave #110	Apple Valley	MN	55124	651-400-9388
Paul Kahlert	7685 Parklawn Avenue Suite 200	Edina	MN	55435	952-513-7174
Fartun Hussein	701 Decatur Avenue N Suite 101	Golden Valley	MN	55427	952-955-9840
Fartun Hussein	2336 Central Avenue Northeast	Minneapolis	MN	55418	612-223-8085
Fahima Abdi	21897 South Diamond Lake Road-Suite 650	Rogers	MN	55374	612-662-7884
Scott Lambert	11255 Olive Blvd	St. Louis	MO	63141	314-597-6767
Hetal Pandya	1960 Randolph Road Suite 201	Charlotte	NC	28207	980-375-5426
Bryan Johnson	10410 Park Road Suite 200	Charlotte	NC	28210	704-704-6176
Jeff Allen	605 S. Reilly Road Suite 104	Fayetteville	NC	28314	910-758-5168
Jeff Allen	2315 Executive Circle Suite B	Greenville	NC	27834	252-215-5688
Chris Sochaeki	1252 26th St SE	Hickory	NC	28602	828-483-5800
Jeff Allen	3221 Henderson Drive	Jacksonville	NC	28546	910-330-0500
Jeff Allen	2500 Trent Road Suite 34	New Bern	NC	28562	252-514-8049
Senthil Kumar	3813 Junction Blvd	Raleigh	NC	27603	919-338-7904

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Franchisee	Address	City	State	ZIP	Phone
Senthil Kumar	3326 Durham Chapel Hill Blvd Suite A-110	Raleigh-Durham	NC	27707	919-338-7900
Tene Osahar	2242 W. Roosevelt Suite E	Wadesboro	NC	28110	704-777-1114
George Hutnik	1536 Castle Hayne Rd Suite 202	Wilmington	NC	28405	910-762-1223
Jeff Neelon	3726 Vest Mill Road	Winston-Salem	NC	27103	336-999-8298
Scott Kaminski	310 Regency Parkway Suite 110	Omaha	NE	68114	402-505-9191
JP Clemens	1542 Kuser Rd Unit B-4	Trenton-Hamilton	NJ	08619	609-557-3350
Jimmy Platt	3365 East Flamingo Road Suite 4	Las Vegas	NV	89121	702-451-5434
Scott McGarvey	4357 Ferguson Drive Suite 130	Cincinnati	OH	45245	513-653-6600
Saran Palaniswamy	1335 Dublin Road Suite 118-E	Columbus	OH	43215	614-484-5115
Byron Berry	960 Graham Road Suite 4	Cuyahoga Falls	OH	44221	330-923-8925
Oreste Cerilli	3019 Production Court	Dayton	OH	45414	937-306-6038
Betty Zakeri	1487 West Main Street	Tipp City	OH	45371	937-877-3034
Laura Cavanaugh	580 Office Parkway, Suite 140	Westerville	OH	43082	614-714-6000
Satish Patel	2126 S. Meridian Avenue	Oklahoma City	OK	73108	405-724-2010
Shelly Sagar	2010 SE 182nd Ave	Portland	OR	97233	503-334-0100
Bob Kondraske	275 South Main Street Suite #4	Doylestown	PA	18901	215-230-3879
Bhavin Pathak	205 Grandview Avenue Suite 303	Harrisburg	PA	17011	717-562-4940
Rob Sykes	1012 West Ninth Ave Suite 130	King of Prussia	PA	19406	484-370-2725
Khushroo Shroff	233 S. 6th Street Unit C-2	Philadelphia	PA	19106	267-639-3342
Khushroo Shroff	4022 Market Street	Philadelphia	PA	19104	
Jean DeFilippis	8158 Perry Highway	Pittsburgh	PA	15237	724-906-4086
Byron Berry	1704 East Greenville Street Suite 1D	Anderson	SC	29621	864-716-0923
Lisa Leland	2831 Tricom Street Suite B	Charleston	SC	29406	843-491-1075
Gibbs Jones	634 Sunset Blvd	Columbia	SC	29169	803-795-4290
Byron Berry	355 Woodruff Rd Suite 403	Greenville	SC	29607	864-609-5015

Franchisee	Address	City	State	ZIP	Phone
SC—Downtown Greenville— Corporate	101 N. Main St. Suite E	Greenville	SC	29601	864-436-0018
Bryan Johnson	725 Cherry Rd, Suite 157A	Rock Hill	SC	29732	803-818-2120
Gibbs Jones	115 Southport Road Suite L	Spartanburg	SC	29306	864-641-6989
Keith Sands	6102 Shallowford Road Suite 102	Chattanooga	TN	37421	423-468-3734
Craig Parker	2525 Perimeter Place Drive Suite 106	Nashville	TN	37214	865-412-4232
Paul Casterlin	6448 East Hwy 290 Suite E105	Austin	TX	78723	512-772-5110
Paul Casterlin	921 West New Hope Drive Suite- 103B	Cedar Park	TX	78613	512-767-1116
Olaleye Olaosebikan	12312 Barker Cypress Rd Suite 1200	Cypress	TX	77429	832-632-3157
Quanique Johnson	2721 Shoreline Drive Suite 120	Denton	TX	76207	469-648-3300
Scott Callis	2757 Airport Freeway	Fort Worth	TX	76111	682-707-5474
Gerald Okafor	5224 South Hwy 360, Suite 225	Grand Prairie	TX	75052	214-235-0371
Vincent Balogun	7447 Harwin Drive Suite A-103	Houston	TX	77036	832-285-3132
Celsey Sandburg	11200 Northwest Freeway Suite 500	Houston	TX	77092	832-583-0050
Jeremy Luong	17903 West Lake Houston Parkway	Humble	TX	77346	717-864-6852
Scott Callis	8925 Sterling Street Suite 255	Irving	TX	75063	469-209-7400
Kemka Hekerem	21777 Merchants Way Suite 420	Katy	TX	77449	713-832-9993
Malik Moti	18 Gruene Park Drive	New Braunfels	TX	781030	561-420-0010
Dae Jackson	8217 Mid-Cities Blvd Suite 300	North Richland Hills	TX	76182	817-518-7613
Gladys Nyamimba and Cathy- Ntini	6100 K AVENUE SUITE 108	Plano	TX	75074	469-915-5666
Richard Duarte	8666 Huebner Road Suite 102	San Antonio	TX	78240	726-800-6800
Richard Duarte	1139 Southeast Military Drive Suite- 108	San Antonio	TX	78214	726-208-7892
Pat Prokop	9920 Highway 90 A Suite 160 D	Sugar Land	TX	77478	346-279-0097
Remi Afonja	107 Ranch Road 620 S Suite 111AB	The Hills	TX	78734	512-361-7935
Shyam Venkataraman	2520 Research Forest Dr Suite 400	The Woodlands	TX	77381	936-283-4099

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Franchisee	Address	City	State	ZIP	Phone
David Hopkins	16868 Highway 3 Galveston Road	Webster	TX	77598	281-572-0151
Timika Pierce	13223 River's Bend Blvd.	Chester	VA	23836	804-750-5900
Denis Tebit	2955 Market St. NE Suite B2	Christiansburg	VA	24073	540-251-5171
Rudy Patel	903 Enterprise Pkwy Ste 140	Hampton	VA	23666	
Rafia Moazzam	462 Herndon Pkwy Unit 103	Herndon	VA	20170	703-689-2721
Denis Tebit	20276 Timberlake Road	Lynchburg	VA	24502	434-813-1717
Rudy Patel	742 Florida Ave.	Portsmouth	VA	23707	757-208-1140
Michelle Bratcher	2004 Brems Rd. Suite 103	Richmond	VA	23226	804-592-2652
Denis Tebit	1627 E. Main Street	Salem	VA	24153	540-524-2822
Rudy Patel	4624 Pembroke Blvd Suite 102	Virginia Beach	VA	23455	757-304-3013
Brett Kinney	4220 Meridian Street Suite 101	Bellingham	WA	98226	360-922-0275
Brett Kinney	17306 Smokey Point Drive Suite 19	Marysville	WA	98223	360-322-7626
Taylor Collyer	4300 Talbot Road S. Bldg 200	Renton	WA	98055	425-264-5251
Taylor Collyer	4636 East Marginal Way South Suite B-250	Seattle	WA	98134	206-455-8970
Inderjit Deol	1818 South Union Avenue, Suite 2A	Tacoma	WA	98405	253-523-2800
Alan Wedal	4125 N 124th Street Suite G	Milwaukee	WI	53005	262-923-8386

Franchisees with Unopened Outlets as of December 31, 2023:

Franchisee	Mobile	Address	City	State	ZIP Code
AL-086 A—Birmingham N—Terry Pouncey	2053052801	555 Gerald Ln.	Chelsea	AL	35043
AL Mobile—Damon Hadder	8504549767	5645 Dunbar Circle	Milton	FL	32583
AR-002—Sultan Ali	4792564551	6801 SW Chestnut Hill	Bentonville	AR	72713
AZ-079A—Tucson North—Wendell Long	5208009235	820 North Shepherd Hills-Dr	Tucson	AZ	85710
AZ-091A—Kevin Concannon	5207307575	4840 E. Salida Del Sol-Place	Tucson	AZ	85718
AZ-091H—Kevin Concannon	5207307575	4840 E. Salida Del Sol-Place	Tucson	AZ	85718
CA-006 A—West Sacramento—Craig Trenton	8984056766	610 Kenwood Dr.	Brentwood	CA	94513
CA-006C—Luis Luna	9167789417	2243 Misty Hollow Ct	Rockville	CA	95765
CA-018B—Lauren Wilson	2094952760	3555 Rosecrans St. Suite-114-145	San Diego	CA	92110
CA-026D—Maya Patel	6504000009	446 Old Country Rd Suite-100-340	Pacificia	CA	94044
CA-026E—Maya Patel	6504000009	446 Old Country Rd Suite-100-340	Pacificia	CA	94044
CA-034 C—Lakewood—Theresa Oliver	9256289141	6031 Altmark Ave	Whitter	CA	90601
CA-035 B—Buena Park—Theresa Oliver	9256289141	6031 Altmark Ave	Whitter	CA	90601
CA-088—Lauren Wilson	2094952760	3555 Rosecrans St. Suite-114-145	San Diego	CA	92110
CA-090—Lauren Wilson	2094952760	3555 Rosecrans St. Suite-114-145	San Diego	CA	92110
CA-092—Lauren Wilson	2094952760	3555 Rosecrans St. Suite-114-145	San Diego	CA	92110
CA-097—Lauren Wilson	2094952760	3555 Rosecrans St. Suite-114-145	San Diego	CA	92110
CA-099—Maya Patel	6504000009	446 Old Country Rd Suite-100-340	Pacificia	CA	94044
CA-127—Maya Patel	4159719033	446 Old Country Rd Suite-100-340	Pacificia	CA	94044
CA-ARCpoint Labs of Daly City	6503020345	1149 Millbrae Ave.	Millbrae	CA	94030
CA-Manteca—Talwinder Singh	2095056384	3821 Sharon Avenue	Modesto	CA	95355
DC-020 B—Wash DC South—Didi Barzachka	7039650338	8206 Snead Loop	Gainesville	VA	20155
DE-Wilmington—Dmitriy Kim	2062356528	112 Endres Dr., Apt. 8	Mattydale	NY	13211
FL-015—Naples—Jitendra Suman	9255231919	4350 Fowler Street #2	Fort Myers	FL	33901

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Franchisee	Mobile	Address	City	State	ZIP Code
FL-048B—Marina Padilla	5493772525961	Ruta 117, Paso De Los Libres	Corrientes	Argentina	3230
FL-051E—Greg Archer	7049054372	2930 NW 26th Ave	Boca Raton	FL	33434
FL-051L—Chris Mayer	3053239629	1472 Perry Lane	The Villages	FL	32162
FL-ARCpoint Labs of Ocala	3522293202	8290 SW Highway 200	Ocala	FL	34481
FL-Bradenton—Kapil Harkhani	4437833574	3587 Brittons Court	Fort Myers	FL	33916
FL-Miami Springs—Ricardo Andrade	7864029217	315 Harbor Drive	Key Biscayne	FL	33149
FL-North Miami Beach—Doe Ojukwu	3057855424	18777 NW 78 PL	Hialeah	FL	33015
FL-Port St. Lucie—Clifford Gray	6128894551	4406 Kensington Park Drive,	Lake Worth	FL	33449
FL-Tarpon Springs—Roopal Shah—Jwalant Bhatt	8134103790	1933 North Pinellas Avenue	Tarpon Springs	FL	34689
GA-008—Monte McDowell	4045760053	1153 Terrasol Ridge SW	Lilburn	GA	30047
GA-040—Abiola Oloruntoba	4047913060	2591 Cashel Lane	Powder Springs	GA	30127
GA-109A—Athens—Steve Keever	7703359912	5255 Wynterereek Way	Dunwoody	GA	30038
GA-111F—North Atlanta—Steve Keever	7703359912	5255 Wynterereek Way	Dunwoody	GA	30038
IL-052I—Bensenville—Mez Gebrekiristos	6302077682	2n224 Bernice Avenue	Glen Ellyn	IL	60137
IN-North Indianapolis—Eugene Pride	3174371852	3855 E 96th Street Suite E	Indianapolis	IN	46240
LA-159C—Metairie—Todd Rowland	5045200010	119 Beau Chasse	Mandeville	LA	70471
MA-004—Lanette Duggan	9785784458	5/11 Drydock Avenue	Boston	MA	02210
MA-133G—Lanette Duggan	9785784458	5/11 Drydock Avenue	Boston	MA	02210
MD-003—John Harms	7322994956	3 Cameron Court, Apartment C	Nottingham	MD	21236
MD-020—Shirley Steele	202-666-8031	14407 Bonifant Park Place	Silver Spring	MD	20906
MD-Rockville—Shoaib Khan	2097430124	22103 Goshen School Road	Gaithersburg	MD	20882
MN-078D—Nasreen Akther	61438351864	14690 Galaxie Ave #110	Minneapolis	MN	55124
MO-St. Charles—Josh Becker	6365443908	3795-3793 New Town Blvd Suite 3769	Saint Charles	MO	63301
NC-021B—Raleigh West—Senthil Kumar	7028091595	965 Lemster Lane	Cary	NC	27519
NC-021C—Raleigh East—Senthil Kumar	9199997805	613 Pilot Hill Dr	Morrisville	NC	27560
NC-022E—Moe Bajwa	7042233402	462 Herndon Pkwy Unit-103	Herndon	VA	20170
NC-066B—High Point—Jeff Neelon	9102584706	3726 Vest Mill Road	Winston-Salem	NC	27103
NC-066C—Greensboro—Jeff Neelon	3364425695	3726 Vest Mill Road	Winston-Salem	NC	27103

Franchisee	Mobile	Address	City	State	ZIP Code
NE-044B—Omaha S—Scott Kaminski	4025360747	8157 N. 159th Street	Omaha	NE	68007
NJ-071 D—Princeton—JP Clemens	6099022366	17 Morton Ct	Lawrenceville	NJ	08648
NJ-151 D—East Brunswick—JP Clemens	6099022366	17 Morton Ct	Lawrenceville	NJ	08648
OH-001 D—Grove City—Saran Palaniswamy	6142183553	1335 Dublin Road Suite 118 E	Columbus	OH	43215
OH-006—Cincinnati Metro—Scott McGarvey	5136536600	4357 Ferguson Drive Suite 130	Cincinnati	OH	45245
OH-157A—Byron Berry	8646095015	355 Woodruff Rd Suite 403	Greenville	SC	29607
OK-030A—Satish Patel	4058197343	2126 S. Meridian Avenue	Oklahoma City	OK	73108
OK-030B—Tina Patel	4058197343	2126 S. Meridian Avenue	Oklahoma City	OK	73108
PA-098 B—Penn Hills—Jean DeFilippis	4123029313	170 Weller Dr	Wexford	PA	15090
PA-098 C—Pittsburgh East—Jean DeFilippis	4123029313	170 Weller Dr	Wexford	PA	15090
PA-098 D—Pittsburgh West—Jean DeFilippis	4123029313	170 Weller Dr	Wexford	PA	15090
PA-098 E—Canonsburg—Jean DeFilippis	4123029313	170 Weller Dr	Wexford	PA	15090
PA-136 B—Levittown—Bob Kondraske	2152194086	3656 Christopher Day Rd	Doylestown	PA	18902
PA-136 E—Ft. Washington—Bob Kondraske	2152194086	3656 Christopher Day Rd	Doylestown	PA	18902
PA-136 F—Rob Sykes	2158030518	305 Elm Ave	Glenside	PA	19038
SC-043 A—Gibbs Jones	8039951787	858 Crab Creek Rd	Hendersonville	NC	28739
TX-030 Arturo Ramirez	6025024002	4002 Belt Line Rd. Suite 110	Addison	TX	75001
TX-035—Don Lane	9036418305	2508 W 2nd Avenue	Corsicana	TX	75110
TX-060 J—Scott Callis	9404535943	8925 Sterling Street Suite 255	Lake Dallas	TX	75065
TX-065A—Arlington—Scott Callis	9404535943	338 Stately Oak Lane	Lake Dallas	TX	75065
TX-072 B—Austin West—Paul Casterlin	5124235653	2912 Etna Dr	Austin	TX	78738
TX-099H—Houston SW—Pat Prokop	8479772916	9920 Highway 90 A Suite 160 D	Sugar Land	TX	77478
TX-Corsicana—Don Lane	9036418305	2508 W 2nd Avenue	Corsicana	TX	75110
TX-Hebron—Mark Miller	7868599052	4100 Fairway Court Suite 100	Carrollton	TX	75010
TX-Marble Falls—Johnna Davis	5125402692	2511 US Hwy 281 Suite 300	Marble Falls	TX	78654
TX-South Dallas—Godwin Awhen	2147181150	8067 W. Virginia Drive Suite 101	Dallas	TX	75237

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Franchisee	Mobile	Address	City	State	ZIP Code
VA-001—Rudy Patel	7575538797	407 Lorton Ct	Chesapeake	VA	23323
VA-008—Rudy Patel	7575538797	407 Lorton Ct	Chesapeake	VA	23323
VA-009—Rudy Patel	7575538797	407 Lorton Ct	Chesapeake	VA	23323
VA-012—Rudy Patel	7575538797	407 Lorton Ct	Chesapeake	VA	23323
VA-063B—Fairfax—Moe Bajwa	7042233402	462 Herndon Pkwy Unit 103	Herndon	VA	20170
VA-Fredericksburg—Rudy Patel	7575538797	407 Lorton Ct	Chesapeake	VA	23323
WA-009—Inderjit Deol	2535232800	1818 South Union Avenue, Suite 2A	Tacoma	WA	98405
WA-120A—Brett Kinney	4253448300	25917 36th Ave NW	Stanwood	WA	98292
WI-118—Kenosha—Steve Slater	8474850808	1860 W. Winchester Rd Suite 205	Libertyville	IL	60048
WI-118C—Milwaukee North—Alan Wedal	7345609309	N 101 W 14818 Bel Aire Lane	Germantown	WI	53022

~~The phone number and location of these unopened outlets has not yet been determined. The phone numbers provided here are contact information for the franchisee at another ARCpoint Labs business that they own and operate or their personal contact information.~~

Former Franchisees:

The name and last known address of every franchisee who had an ARCpoint Labs Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, ~~2023~~2024 to December 31, ~~2023~~2024, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Transfers

<u>Entity Name</u>	<u>Contact Person</u>	<u>Location Name</u>	<u>Selling-Franchisee</u>	<u>Selling-Franchisee's Address</u>	<u>Selling-Franchisee's Phone Number</u>
FL—Miami-South	Ricardo Alvarez De Lugo	2555 NW 102 Ave Suite 209 Miami, FL 33172		(786) 469-1050	
FL—St.-Petersburg	Julio Rodriguez	7050 Bayou West Place North Pinellas Park, FL 33782		(727) 776-1246	
NC—Hickory	Steve Hodun	1029 W. 1st St. Hickory, NC 28658		(828) 216-4019	
OK—Oklahoma-City	Keith Hall	301 Matt Street Shawnee, OK 74801		(405) 740-1187	
SC—Rock Hill	Eric Foekler	725 Cherry Rd Ste 140 Rock Hill, SC 29732		(770) 866-5334	
TX—Cypress	Kathleen Buckland	59 Tioga Place Tomball, TX 77375		(214) 334-8074	
TX—Denton	Scott Callis	Scott still in system			
TX—The Woodlands <u>BMK Management Inc.</u>	Kathleen Buckland	<u>TX – The Woodlands</u>		59 Tioga Place Tomball <u>2520 Research Forest Dr Suite 400</u> <u>The Woodlands, TX 77375</u> <u>77381</u>	(214) 334-8074
VA—Herndon <u>Xtecusa Corporation</u>	Jon Helm <u>Khyati Patel</u>	720 McKinley St. NE, Vienna, VA 22180 <u>FL - Tampa</u>		(703) 980-6882 <u>2901 W Busch Blvd STE 206</u> <u>Tampa, FL 33618</u>	<u>813- 567-9877</u>
WA—Tacoma <u>Gryffins Talon LLC</u>	Taylor Collyer <u>Chris Mayer</u>	Taylor still in system <u>FL – Delray Beach</u>		<u>4989 West Atlantic Avenue</u> <u>Delray Beach, FL 33445</u>	<u>305- 323-9629</u>
<u>Dewi Sant Inc.</u>	<u>Jimmy Platt</u>	<u>NV – Las Vegas</u>		<u>3365 East Flamingo Road</u> <u>Suite 4</u> <u>Las Vegas, NV 89121</u>	<u>702- 321-2348</u>

<u>Entity Name</u>	<u>Contact Person</u>	Location Name	Selling-Franchisee	Selling Franchisee's Address	Selling Franchisee's Phone Number
<u>Cabbo LA LLC</u>	<u>Bob Duncan</u>	<u>CA – West Los Angeles</u>		<u>2320 S. Robertson Blvd Suite 102 Los Angeles, CA 90034</u>	<u>310- 279-8207</u>

Ceased Operations

Former Franchisee <u>Entity Name</u>	<u>Contact Person</u>	Location (Previous) Name	Address	Phone Number
Luis Luna <u>Medical Labs of Arizona LLC</u>	<u>Kevin Concannon</u>	CA-AZ – ARCpoint Labs of Folsom <u>Scottsdale North</u>	150 Natoma Station <u>7812 E. Acoma Drive Suite 1007 Folsom, CA 95630</u> <u>Scottsdale, AZ 85260</u>	916-778-9417 <u>480-939-4656</u>
Luis Luna <u>Hanson Laboratories LLC</u>	<u>Jessica Hanson</u>	CA-AZ – ARCpoint Labs of Yuba City <u>Tempe- Chandler</u>	465 Del Norte Avenue Yuba City, CA 95991 <u>2979 West Elliot Road Suite 1 Chandler, AZ 85224</u>	916-778-9417 <u>480-590-6124</u>
Mariia Demianchenko		FL-ARCpoint Labs of Coral Springs	2137 N University Drive Coral Springs, FL 33071	754-333-7303
<u>Gryffins Talon LLC</u>	Chris Mayer	FL- – ARCpoint Labs of Jupiter	275 Toney Penna Drive, #11 Jupiter, FL 33458	305-323-9629 <u>561-778-5200</u>
Paul Kahlert <u>Laboratory Testing of Kissimmee, INC</u>	<u>Jim Carmona</u>	MN-FL – ARCpoint Labs of Eden Prairie <u>Kissimmee</u>	6554 Edenvale Blvd. Eden Prairie, MN 55346 <u>716 N. John Young Pkwy Kissimmee, FL 34741</u>	612-386-0986 <u>407-329-34741</u>
Eric Foekler <u>Eugenia Zabala</u>	<u>Eugenia Zabala</u>	NC-FL - ARCpoint Labs of Miami <u>South-Charlotte</u>	1411 Mary Ellen Dr., Fort Mill, SC 29708 <u>7305 Southwest 107th Avenue</u>	(770)-866-5334 <u>786-469-</u>

<u>Former Franchisee Entity Name</u>	<u>Contact Person</u>	<u>Location (Previous) Name</u>	<u>Address</u>	<u>Phone Number</u>
			<u>Miami, FL 33173</u>	<u>1050</u>
Albert Dallao <u>Florida Medical Labs INC</u>	<u>Khyati Patel</u>	PA-FL – ARCpoint Labs of Reading <u>Brandon</u>	119 Ponderosa Drive, Blandon, PA 19510 <u>141 N Oakwood Brandon, FL 33510</u>	(610) 914-0857 <u>813-395-0000</u>
<u>Laborant LLC</u>	<u>Mariia Demianchenko</u>	<u>FL – ARCpoint Labs of Tamarac</u>	<u>7710 N.W. 71st Court Suite 110 Tamarac, FL 33321</u>	<u>754-333-7303</u>
<u>EGreen Enterprises, Inc</u>	<u>Edie Swaggard Green</u>	<u>GA – ARCpoint Labs of Douglasville</u>	<u>3150 Golf Ridge Boulevard Suite 101 Douglasville, GA 30135</u>	<u>716-308-6266</u>
<u>Gist Entities, LLC</u>	<u>Ebonie Gist</u>	<u>IL – ARCpoint Labs of Downers Grove</u>	<u>2593 Ogden Ave. Downers Grove, IL 60515</u>	<u>630-454-6140</u>
Arturo Ramirez <u>RAVY Group, LLC</u>	<u>Richard Duarte</u>	TX – ARCpoint Labs of Addison <u>San Antonio Medical Center</u>	88525 Southwestern Blvd. #2147 Dallas, TX 75206 <u>8666 Huebner Road Suite 102 San Antonio, TX 78240</u>	(602) 502-4002 <u>726-800-6800</u>
<u>DL Wellness Partners, Inc.</u>	<u>David Hopkins</u>	<u>TX – ARCpoint Labs of Bay Area Houston</u>	<u>16868 Hwy 3 Webster, TX 77598</u>	<u>281-572-0151</u>
<u>Tangent Labs LLC</u>	<u>Rudy Patel</u>	<u>VA – ARCpoint Labs of Virginia Beach</u>	<u>4624 Pembroke Blvd Suite 102 Virginia Beach, VA 23455</u>	<u>757-304-3013</u>
<u>Tangent Labs LLC</u>	<u>Rudy Patel</u>	<u>VA – ARCpoint Labs of Portsmouth</u>	<u>742 Florida Ave. Portsmouth, VA 23707</u>	<u>757-208-1140</u>
<u>Tangent Labs LLC</u>	<u>Rudy Patel</u>	<u>VA – ARCpoint Labs of Hampton</u>	<u>903 Enterprise Pkwy Ste 140 Hampton, VA 23666</u>	<u>757-208-1140</u>
<u>Wedal WellNess Group, Inc.</u>	<u>Alan Wedal</u>	<u>WI – ARCpoint Labs of Milwaukee North</u>	<u>4125 N 124th Street Suite G Brookfield, WI 53005</u>	<u>262-923-8386</u>
<u>Skye Hill Ventures, INC</u>	<u>Gibbs Jones</u>	<u>SC - ARCpoint Labs of Columbia West</u>	<u>634 Sunset Blvd Columbia, SC 29169</u>	<u>803-795-4290</u>
<u>Skye Hill Ventures, INC</u>	<u>Gibbs Jones</u>	<u>SC – ARCpoint Labs of Spartanburg</u>	<u>115 Southport Road Suite L Spartanburg, SC 29306</u>	<u>864-641-6989</u>

Non Renewals

<u>Entity Name</u>	<u>Contact Person</u>	<u>Location Name</u>	<u>Address</u>	<u>Phone Number</u>
<u>Coastal Med Labs, LLC</u>	<u>George Hutnik</u>	<u>NC – Wilmington</u>	<u>1536 Castle Hayne Rd Suite 202 Wilmington, NC 28401</u>	<u>910-762-1223</u>

Terminations

<u>Entity Name</u>	<u>Contact Person</u>	<u>Location Name</u>	<u>Address</u>	<u>Phone Number</u>
<u>FranEx Global, LLC</u>	<u>Raj Anthonypillai</u>	<u>CT – ARCpoint Labs of Wethersfield</u>	<u>899 Silas Deane Hwy Suite 01 Wethersfield, CT 06109</u>	<u>860-356-0020</u>
<u>JBHF Health, LLC</u>	<u>Sam Fahmy</u>	<u>FL – ARCpoint Labs of Downtown Orlando</u>	<u>619 East Colonial Drive Orlando, FL 32803</u>	<u>407-916-9556</u>
<u>Accurate Lab Test of Florida, Inc.</u>	<u>Jitendra Suman</u>	<u>FL – ARCpoint Labs of Fort Myers</u>	<u>4350 Fowler Street #2 Ft. Myers, FL 33901</u>	<u>239-931-1036</u>
<u>Biz Info Tech Consulting Solutions LLC</u>	<u>Hassan Choudhury</u>	<u>GA – ARCpoint Labs of Atlanta- Buckhead</u>	<u>550 Pharr Rd Suite 200 Atlanta, GA 30305</u>	<u>678-973-0045</u>
<u>Tesfa Corporation</u>	<u>Mezgebe Gebrekiristos</u>	<u>IL – ARCpoint Labs of Schaumburg</u>	<u>1375 Remington Road Suite A Schaumburg, IL 60173</u>	<u>847-306-6011</u>
<u>Bunka Enterprise, LLC</u>	<u>Fartun Hussein</u>	<u>MN – ARCpoint Labs of Minneapolis</u>	<u>2336 Central Avenue Northeast Minneapolis, MN 55418</u>	<u>612-223-8085</u>
<u>Bunka Enterprise, LLC</u>	<u>Fartun Hussein</u>	<u>MN – ARCpoint Labs of Golden Valley</u>	<u>701 Decatur Avenue N Suite 101 Golden Valley, MN 55427</u>	<u>952-955-9840</u>
<u>Cambrant, LLC</u>	<u>Gladys Nyamimba and Cathy Ntini</u>	<u>TX – ARCpoint Labs of Plano</u>	<u>6100 K Avenue Suite 108 Plano, TX 75074</u>	<u>469-915-5666</u>

EXHIBIT I

CONTRACTS FOR USE WITH THE ARCPPOINT LABS FRANCHISE

The following contracts contained in Exhibit I are contracts that a franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the ARCpoint Labs Business. The following are the forms of contracts that ARCpoint Franchise Group, LLC uses as of the Issuance Date of this Franchise Disclosure Document. These agreements are subject to change at any time.

EXHIBIT I

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~~FORM OF GENERAL RELEASE AGREEMENT~~

ARCPPOINT FRANCHISE GROUP, LLC

SAMPLE GENERAL RELEASE AGREEMENT
WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (“Release”) is made as of ____, 20__ by _____, a(n) _____ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of ARCpoint Franchise Group, LLC, a South Carolina limited liability company (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate an ARCpoint Labs business;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (**enter into a successor franchise agreement**), and Franchisor has consented to such transfer (**agreed to enter into a successor franchise agreement**); and

WHEREAS, As a condition to Franchisor’s consent to the transfer (**Franchisee’s ability to enter into a successor franchise agreement**), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent to the transfer (**Franchisor entering into a successor franchise agreement**), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

~~3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.~~

4.3. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5.4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of ~~South~~Georgia.
~~Carolina.~~

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. A general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

, a

By: _____

Name: _____

Its: _____

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

EXHIBIT ~~1-2~~



DISCLOSURE ACKNOWLEDGEMENT FORM ~~OF SYSTEM PROTECTION AGREEMENT~~

Do not sign this form if you are a resident of Maryland or the business is to be operated in Maryland.

DISCLOSURE ACKNOWLEDGMENT FORM
TO BE COMPLETED BEFORE SIGNING AN ARCPOINT LABS FRANCHISE AGREEMENT

You are preparing to enter into an ARCpoint Labs Franchise Agreement (“Agreement”) with ARCpoint Franchise Group, LLC (“we” “our” or “us”). Please review each of the following questions carefully and provide complete responses to each.

Franchise Applicant

1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

Yes No

2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

Yes No

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more ARCpoint Labs businesses operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

FRANCHISE APPLICANT (ENTITY OWNER)

[Insert name of Franchise Applicant]

By:

[Name of Person signing on behalf of Franchise Applicant]

Its:

[Title of Person signing on behalf of Franchise Applicant]

FRANCHISE APPLICATION (INDIVIDUAL OWNERS)

[Insert name of Owner]

[Signature of Owner]

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the any state franchise registration and disclosure law.

This Disclosure Acknowledgment Form is not for use in the State of Washington. California franchisees should not complete this Disclosure Acknowledgment Form. If any California franchisee completes this Disclosure Acknowledgment Form, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Disclosure Acknowledgment Form.

EXHIBIT ~~L3~~K

STATE EFFECTIVE DATES

FORM OF CONFIDENTIALITY AGREEMENT

EXHIBIT J

FRANCHISE DISCLOSURE QUESTIONNAIRE

ARCPOINT FRANCHISE GROUP, LLC

FRANCHISE DISCLOSURE QUESTIONNAIRE

THIS DOCUMENT WILL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.

As you know, ARCpoint Franchise Group, LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of an ARCpoint Labs franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1. Yes No Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2. Yes No Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes No Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes No Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5. Yes No Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes No Have you had the opportunity to discuss the benefits and risks of developing and operating an ARCpoint Labs Franchise with an existing ARCpoint Labs franchisee?
7. Yes No Do you understand the risks of developing and operating an ARCpoint Labs Franchise?

8. Yes No Do you understand the success or failure of your ARCpoint Labs Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
10. Yes No Do you understand that you must satisfactorily complete the initial training program before we will allow your ARCpoint Labs Franchise to open or consent to a transfer of the ARCpoint Labs Franchise to you?
11. Yes No Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating an ARCpoint Labs Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes No Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes No Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue an ARCpoint Labs Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes No Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the ARCpoint Labs Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?

~~YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.~~

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date

Date

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

EXHIBIT K

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	July 8, 2024, as amended September 24, 2024 Pending
Illinois	April 8, 2024, as amended August 23, 2024 Pending
Indiana	April 8, 2024, as amended August 22, 2024 Pending
Maryland	April 23, 2024, as amended September 4, 2024 Pending
Michigan	August 1, 2024 Pending
Minnesota	May 10, 2024, as amended September 24, 2024 Pending
New York	May 21, 2024, as amended October 11, 2024 Pending
North Dakota	May 13, 2024, as amended August 27, 2024 Pending
Rhode Island	May 8, 2024, as amended August 26, 2024 Pending
South Dakota	April 8, 2024 Pending
Virginia	May 8, 2024, as amended August 23, 2024 Pending
Washington	May 31, 2024, as amended August 30, 2024 Pending
Wisconsin	April 8, 2024, as amended August 23, 2024 Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ARCpoint Franchise Group, LLC offers you a franchise, ~~we~~it must provide this disclosure document to you: ~~(a)~~ 14 calendar days before you sign a binding agreement ~~with,~~ or make a payment to, ~~us~~ the franchisor or an affiliate in connection with the proposed franchise sale; ~~(b) in~~ New York; ~~requires that ARCpoint Franchise Group, LLC give you this disclosure document~~ at the earlier of: ~~(i) your~~ the first personal meeting ~~to discuss the franchise,~~ or ~~(ii)~~ 10 business days before ~~you sign a binding~~ the execution of the franchise or other agreement ~~with,~~ or ~~make~~ the payment of any consideration to, us or an affiliate in connection with the proposed franchise sale; ~~(c) in~~ Iowa; ~~requires that ARCpoint Franchise Group, LLC give you this disclosure document~~ at the earlier of:

~~(i) your~~ the first personal meeting ~~to discuss the franchise; or (ii) or~~ 14 days before ~~you sign a binding~~ the execution of the franchise or other agreement ~~with,~~ or ~~make~~ the payment ~~to,~~ of any consideration to us or an affiliate in connection with the proposed franchise sale; ~~or (d) in~~ Michigan; ~~requires that Any Test Franchising, LLC give you this disclosure document~~ at least 10 business days before the ~~earlier of when you sign a binding~~ execution of the franchise or other agreement or ~~pay~~ the payment of any consideration ~~to us (or an affiliate of ours), whichever occurs first.~~

If ARCpoint Franchise Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade ~~Commission~~ Commissioner, Washington, ~~DC, D.C.~~ 20580, and the ~~appropriate~~ state agency ~~identified~~ listed on Exhibit ~~A~~ D ~~for your state.~~

The franchisor is ARCpoint Franchise Group, LLC, 303 Perimeter Center North, Suite 575, Atlanta, GA 30346. ARCpoint Franchise Group, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

Date of Issuance: August 8, 2025

The name, principal business address, and telephone number of each franchise seller offering the franchise is: ~~John Constantine, Chief Strategie Officer, Bob Mann, Kelly Cromptvoets, Director and Interim~~ President and Chief Executive Officer, and Haigen Mirando, Development Director, ARCpoint Franchise Group, LLC ~~101~~ 303 Perimeter Center North ~~Main Street~~, Suite ~~301, Greenville, SC 29601~~ 575, Atlanta, GA 30346; (864) 271-3210; and ~~Hasty Sarayani, Kioumars Amini, and Shane Gregerson, Ontario Inc., 845 Wilson Avenue, Unit 204, North York, Ontario, Canada~~ Richard Sean Hart, Vice President of Franchise Development; Lynn Brewer, Franchise Development Director, Haigen Mirando, Franchise Development Director; and Vicki Wright Glaser, Franchise Development Associate; Cresso Brands, LLC 303 Perimeter Center North, Suite 575, Atlanta, GA 30346; (864) 271-3210; ~~and Marcia Mead, M Squared Franchise Consulting, 1856 Davin Dr., Atlanta, GA 30319; Phone: 913.486.5105.~~

~~Issuance Date: April 8, 2024, as amended August 22, 2024~~

I received a disclosure document issued ~~April 8, 2024, as amended August 22, 2024~~ 8, 2025, which included the following exhibits:

~~A List of State Administrators/Agents for Service of Process~~

~~B~~ A Financial Statements

~~C~~ B Franchise Agreement ~~and Schedules~~

~~D State Addenda to The Franchise Agreement~~

~~E Form~~ C Multi-Franchise Unit Addendum

~~G~~ F State Required Agreement Addenda

~~H~~ G Manual Table of Contents

~~I~~ H List of Current and Former Franchisees

~~J~~ I State Addenda to the Disclosure Document

~~K~~ J Other Agreements

~~L~~ K Form of General Release ~~Agreement~~

~~F Confidential Operations Manual Table of Contents~~

~~D [State Administrators and Agents for Service of Process](#)~~

~~E [Additional State Required FDD Disclosures](#)~~

~~I-2 Form of System Protection Agreement~~

~~I-3 Form of Confidentiality Agreement~~

~~J [Franchisee Disclosure Questionnaire Acknowledgement Form](#)~~

~~K State Effective Dates~~

Date

Signature

Printed Name

Date

Signature

Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

Dated: _____ PROSPECTIVE FRANCHISEE:

(Print Name)

By: _____

Please sign this copy of the receipt, date your signature, and retain it for your records.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ARCpoint Franchise Group, LLC offers you a franchise, ~~we~~it must provide this disclosure document to you: ~~(a)~~ 14 calendar days before you sign a binding agreement ~~with,~~ or make a payment to, ~~us~~ the franchisor or an affiliate in connection with the proposed franchise sale; ~~(b) in~~ New York; ~~requires that ARCpoint Franchise Group, LLC give you this disclosure document~~ at the earlier of: ~~(i) your~~ the first personal meeting ~~to discuss the franchise,~~ or ~~(ii)~~ 10 business days before ~~you sign a binding~~ the execution of the franchise or other agreement ~~with,~~ or ~~make the~~ payment of any consideration to us or an affiliate in connection with the proposed franchise sale. ~~Iowa requires that ARCpoint Franchise Group, LLC give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration to,~~ us or an affiliate in connection with the proposed franchise sale; ~~(c) in Iowa, at the earlier of:~~

~~(i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in~~ Michigan; ~~requires that Any Test Franchising, LLC give you this disclosure document~~ at least 10 business days before the ~~earlier of when you sign a binding~~ execution of the franchise or other agreement or ~~pay the payment of any consideration to us (or an affiliate of ours), whichever occurs first.~~

If ARCpoint Franchise Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade ~~Commission~~ Commissioner, Washington, ~~DC, D.C.~~ 20580; and the ~~appropriate~~ state agency ~~identified~~ listed on Exhibit ~~A~~ D ~~for your state.~~

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~~E Additional State Required FDD Disclosures~~

~~I-1 Form of General Release Agreement~~
~~I-2 Form of System Protection Agreement~~
~~I-3 Form of Confidentiality Agreement~~
~~J Franchisee Disclosure Questionnaire Acknowledgement Form~~
K State Effective Dates

Date

Signature

Printed Name

Date

Signature

Printed Name

Dated: _____ PROSPECTIVE FRANCHISEE:

(Print Name)

By: _____

Please sign this copy of the receipt, date your signature, and return it to ARCpoint Franchise Group, LLC, ~~101 North Main Street, Suite 301, Greenville, SC 29601.~~