

## Special Risks to Consider About *This* Franchise

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

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

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

**AFC FRANCHISING, LLC**  
**FRANCHISE AGREEMENT**

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

**PREAMBLES AND BACKGROUND**

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

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

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

**CERTAIN DEFINITIONS**

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

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

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

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

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

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

**RECITALS**

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

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

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

**AGREEMENT**

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

**I. GRANT**

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