

FRANCHISE DISCLOSURE DOCUMENT



AFC Franchising, LLC
3700 Cahaba Beach Road
Birmingham, Alabama 35242
(205) 403-8902

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www.afcfranchising.com
afclegal@americanfamilycare.com

The franchisee ~~will~~ is the right to establish and operate an urgent and accessible primary care management business that will ~~establish and manage an urgent care center that~~ provide certain non-clinical administrative services to a professional entity, which will, through independent physicians and professionally licensed healthcare persons or entities and subject to applicable laws, provides various levels ~~of~~ and kinds of medical and related patient care ~~services, which include minor injuries, infections, workers' compensation injuries, sports physicals, travel medicine, colds and flu, and much more. Each center will be equipped with several exam rooms, X-Ray Equipment, on-site laboratory, and, where permitted by law, a pharmacy dispensing the most common urgent care medicines.~~ and wellness services.

The total initial investment necessary to begin operation of a ~~franchised business (in which you are not converting an existing urgent care business),~~ new American Family Care center ranges from ~~\$1,227,774 - \$955,500 to \$1,778,851~~ \$1,519,500. This includes ~~\$140,000 - \$60,000 to \$205,000~~ \$256,000 that must be paid to the franchisor or its affiliates. If ~~we grant~~ you are ~~converting an existing urgent care facility to be an "AFC/American Family Care" center that you will manage, the total initial investment necessary to begin operation of a franchised business ranges from \$114,500 - \$480,500. This includes \$125,000.00 to \$190,000 that must be paid to the franchisor or affiliate. If you sign an Area Development Agreement to develop a certain number of franchised businesses, you must pay us a development fee of \$60,000 for your first franchise and a non-refundable deposit of \$10,000 for each additional franchise to be developed. The number of units for an Area Development Agreement will be negotiated between the parties but will be no less than 4. The initial franchise fee for subsequent franchises under the Area Development Agreement is \$45,000.~~ development rights pursuant to which you will agree to acquire multiple franchises. The total investment necessary to acquire the area development rights is estimated to be \$47,500 (based on a standard 3-unit development deal), all of which must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~Charlie Duffield~~ Brandy Hopkins, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902.

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

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

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www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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Issued: ~~March 1~~April 25, ~~2024~~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 Exhibits ~~F and G~~ <u>E</u> .
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 ~~H~~ <u>F</u> 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 ~~AFC~~ <u>American Family Care</u> franchised business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an ~~AFC~~ <u>American Family Care</u> franchisee?	Item 20 or Exhibits ~~F and G~~ <u>E</u> lists <u>s</u> current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some State Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with us by arbitration only in Alabama. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Alabama than in your home state.

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.

AMERICAN FAMILY CARE
THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
MICHIGAN FRANCHISE DISCLOSURE DOCUMENT INVESTMENT LAW ONLY

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

 - (i.) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii.) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii.) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv.) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to:

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

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

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

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
ITEM 2 BUSINESS EXPERIENCE.....	~~54~~
ITEM 3 LITIGATION.....	~~125~~
ITEM 4 BANKRUPTCY.....	~~156~~
ITEM 5 INITIAL FEES.....	~~156~~
ITEM 6 OTHER FEES.....	~~168~~
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	~~2012~~
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	~~2716~~
ITEM 9 FRANCHISEE’S OBLIGATIONS.....	~~3218~~
ITEM 10 FINANCING.....	~~3319~~
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	~~3420~~
ITEM 12 TERRITORY.....	~~4529~~
ITEM 13 TRADEMARKS.....	~~4830~~
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	~~5032~~
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	~~5234~~
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	~~5335~~
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	~~5535~~
ITEM 18 PUBLIC FIGURES.....	~~5942~~
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....	~~5943~~
ITEM 20 OUTLET’S AND FRANCHISEE INFORMATION.....	~~6847~~
ITEM 21 FINANCIAL STATEMENTS.....	~~7352~~
ITEM 22 CONTRACTS.....	~~7352~~
ITEM 23 RECEIPTS.....	~~73, LAST PAGES~~ 53

Exhibits

A Form of Franchise Agreement	F Financial Statements
~~A-1~~ B Form of Area Development Agreement	~~I~~ G Table of Contents for ~~Operations~~ Manual
~~B Management Agreement~~	~~J State-Specific Disclosures~~
C Form of Conversion Addendum	~~K State-Specific Franchise Agreement Amendments~~
D List of State Administrators	~~L State-Specific Area Development Agreement Amendments~~
~~and~~ E Agents for Service of Process	~~M Amendment To Waive Management Agreement~~
~~FE~~ List of Franchisees (Current Franchisees and Franchisees Who Have Left the System or Not Communicated with Franchisor)	~~N H Sample~~ General Release
~~F-1 List of Franchisees that have Agreements Signed but are Not Open~~	~~O I~~ State ~~Effective Dates~~ Specific Addenda and Riders
	~~PJ~~ Receipts (2 copies)

G List of Former Franchisees

H Financial Statements

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

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

The Franchisor

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

~~The “American Family Care” franchise system relating to the operation and establishment of American Family Care Centers (“Centers”) was first developed and operated by DRX Urgent Care, LLC (“DRX”), under the name “Doctors Express”. We became the franchisor of~~ In March 2013, our affiliate acquired the “Doctors Express” franchise system on April 15, 2013, through an asset acquisition. ~~We began offering franchises for “Doctors Express” system of urgent care and accessible primary care management businesses (“Franchised Businesses”) in May 2013 and, in May 2013, we began offering franchises for “Doctors Express” centers and, in October 2013, changed the brand name of the franchise from “Doctors Express” to “AFC/Doctors Express.” in October 2013. In 2015, we implemented a plan wherein the once again changed the brand name of the Franchised Businesses was changed from “AFC/Doctors Express” to “American Family Care”. We have the right to use and license others to use the names and marks “American Family Care” and “AFC and Design” pursuant to a Trademark License Agreement with our Parent.~~

Our only business is to offer and sell franchises for, and provide services to ~~Franchisedes Businesses and to provide products and support to our~~ of, American Family Care Centers (each, a “Center”) and to manage the American Family Care franchisees and master developer franchisees system. We do not offer, and have not in the past offered, franchises in any other line of business. We do not operate, and have not operated, a business of the type described in this disclosure document; however, our ~~Parent operates urgent and accessible primary care centers under the trade name “American Family Care.”~~ immediate parent and certain affiliates own and operate Centers.

Our ~~Predecessor~~, Parent, & Affiliates

~~Our Parent is American Family Care, LLC, an Alabama limited liability company, and its principal place of business is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“Parent”). Parent opened its first urgent care clinic in 1982 in Hoover, Alabama. As of the date of this disclosure document, it and its subsidiaries operate 82 clinics in Alabama, Connecticut, Florida, Georgia, Massachusetts and Tennessee. Parent does not offer, and has not previously offered, franchises in this or any other line of business. Parent may provide goods and services to our franchisees.~~

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

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

~~We currently do not have any of our affiliates that offer, or have previously offered, franchises in this or any other line of business. Parent is an approved supplier that provides or will~~ However, AFCLLC and one of our affiliates provide certain products and services to our franchisees construction oversight services, as described below:

AFCLLC sells certain supplies and equipment (including vaccinations), laboratory consulting, new clinic set-up and an optional weight-loss program, products, and credentialing assistance to our franchisees. ~~Our affiliate, American Healthcare Resources, LLC (“AHR”), is an approved vendor of personnel, recruiting and other services to our franchisees and has the same address as our Parent.~~ AFCLLC also owns and has granted us a license to use and sublicense the use of the trademarks and other intellectual property used in the operation of the Centers.

Our affiliate, AFC Purchasing, LLC (“AFCP”), ~~is an approved supplier of~~ shares our principal business address and sells certain medical supplies, ~~equipment, and other products to our franchisees and also has the same address as our Parent. Other than Parent, AHR and AFCP, we do not currently have any other affiliates that provide products or services to our franchisees. Our affiliate, AFC Holdings, LLC, provides all employees of Parent and its subsidiaries including AFCF: and equipment used in Centers.~~

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

The Franchise Offered

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

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

~~We and DRX have developed an urgent and primary accessible care management system (the “System”) relating to the development and management of Centers. These Centers provide various levels of patient care services overseen by a physician, which include minor injuries, infections, workers’ compensation injuries, sports physicals, travel medicine, colds and flu, and much more. Each Center will be equipped with several exam rooms, X-Ray equipment, an on-site laboratory, and, where permitted by law, a pharmacy dispensing the most common urgent care medicines. As described in this disclosure document, urgent care includes accessible primary care services.~~

Centers are managed according to the System. We grant you the right to use specified Marks under the Franchise Agreement. Centers will use the “**AMERICAN FAMILY CARE**” name, “**AFC** and Design” and Marks.

We offer franchises for the Centers to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate ~~businesses that will manage the~~ Centers under the System. To own and operate a ~~Franchised Business Center~~, you must enter into our current form of Franchise Agreement with us and a Management Agreement with a professional entity (“PC”) that will own and operate the Center. The Franchise Agreement, which is attached to this disclosure document as Exhibit A. The requirement for the franchisee to sign a Management Agreement with a PC applies unless your Center will be in a state that permits one entity to both manage and operate the Center, including the rendering of medical services by the medical professional of the Center. We also offer to qualified persons the right to develop multiple Centers within a specified geographical area pursuant to our standard form area development agreement (the “Area Development Agreement”). The Area Development Agreement requires you to open an agreed upon number of Centers under a development schedule. The number of units for an Area Development Agreement will be negotiated between you and us but will be no less than 4. You will be required to sign our then-current franchise agreement for each Center that you open, which may differ from the current franchise agreement included within this FDD, provided that the Royalty Fee and Marketing Fee will remain 6% and 1%, respectively, of net payments during the initial term. The Area Development (the “Franchise Agreement”). The Center that you will operate pursuant to a Franchise Agreement is ~~attached as Exhibit A-1 referred to as “your Center.”~~

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

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

We may also allow our qualified franchisees who have already signed a Franchise Agreement the ability to enter into an area development agreement (an “Area Development Agreement”) pursuant to which they would agree to acquire additional franchises to open and operate Centers within a mutually agreed upon geographical area and according to a mutually agreed upon schedule. The typical Area

Development Agreement would require acquisition of at least three (3) additional franchises. For each additional franchise to be acquired under an Area Development Agreement, you will be required to sign our then-current form of Franchise Agreement, which may be materially different from the form of Franchise Agreement attached as Exhibit A to this disclosure document. Our current form of Area Development Agreement is attached as Exhibit B to this disclosure document.

We also offer to ~~existing independent operators and managers of urgent care centers~~owners of qualified similar businesses or to persons who acquire qualified similar businesses the opportunity to convert ~~their current center to a Center which it will manage as a Franchised Business (those qualified businesses into Centers (each, a “Conversion Franchisees”).~~Center”). If we authorize you to convert an existing business into a Conversion Franchisees will Center then, when you sign a Franchise Agreement as well as a for that business, you will also sign our then-current form of Conversion Addendum which will modify the Franchise Agreement provisions to reflect their current requirements for converting the business and operations.A copy the business pending the conversion. Our current form of the Conversion Addendum ~~appears at~~is attached as Exhibit C to this disclosure document.

~~The Franchised Business and the System have distinctive characteristics. These characteristics currently include providing site selection assistance, construction design, preferred vendor relationships for medical equipment and supplies, procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications. We may periodically change and improve the Franchised Businesses, Centers, and System.~~

~~We use, promote, and license certain trademarks, service marks, and other commercial symbols including the marks “AMERICAN FAMILY CARE” and “AFC and Design” in the operation and management of Centers (the “Marks”). The Marks have gained and will continue to gain public acceptance and goodwill. We may create, use, and license other trademarks, service marks, and commercial symbols for Franchised Businesses and Centers. If we do, these other marks and symbols will become part of the “Marks.”~~

~~We offer you the opportunity to enter into a franchise agreement (“Franchise Agreement”) with us. Under the Franchise Agreement we will grant you the right and license (the “Franchise”) to operate a Franchised Business that will manage a Center under the System at a location identified in the Franchise Agreement (the “Premises”). You will construct or build-out the Center for use by the PC. The Premises will be in an area identified under the Franchise Agreement (the “Territory”). You must operate the Franchised Business in the Territory. You must use the System in operating your Franchised Business and at all times perform your obligations under the Franchise Agreement faithfully, honestly, and diligently, and use your best efforts to promote the Franchised Business.~~

~~You must locate the Center and operate the Franchised Business at a location we accept. The Premises will be identified through our site selection and approval process, according to the terms of the Site Selection Addendum which is Exhibit B to the Franchise Agreement. You will be responsible for securing a lease for the Premises and developing the Center that you will manage according to our standards and specification.~~

~~The Center will be owned and operated by one or more physicians licensed to provide medical and urgent care services in the state in which the Center is located. In addition to signing the Franchise Agreement with us, before you begin operating the Franchised Business, you must enter into a management agreement (“Management Agreement”) with the PC. Under the Management Agreement, you will provide the PC with management and administrative services and support consistent with the System to support the PC’s practice and its delivery of urgent care services and related products to~~

patients at the Center, consistent with all applicable laws and regulations. You must use our applicable standard form of Management Agreement; however, you may negotiate the monetary terms and, with our written consent, certain other terms of the relationship with the PC. If you are not able initially to find a suitable physician or physicians to create, own and staff the PC, we have an approved vendor that can assist you at their current rate. You must have a Management Agreement in effect with a PC at all times during the operation of the Franchised Business and the term of the Franchise Agreement.

The PC will employ and control the general urgent care physicians and the specialty medical physicians and personnel (including, for example, nurses, X-ray technicians, nurse practitioners, and medical receptionists and, together with the general practitioners, collectively, the “**Affiliated Physicians**”) and the other urgent care professionals who will provide the actual urgent care services required to be delivered at and through the Center. You will not provide any actual urgent care or medical services, nor will you supervise, direct, control or suggest to the PC or its physicians or employees the manner in which the PC provides or may provide medical or urgent care services to its patients. Due to various federal and state laws regarding the practice of medicine, and the ownership and operation of medical practices and health care businesses that provide medical and urgent care services, it is critical that you do not engage in practices that are, or may appear to be, the practice of medicine. The Center must offer all urgent care services in accordance with the Management Agreement and the System.

Except for limited situations, and provided that you are in full compliance with the Franchise Agreement, we will not operate or grant a franchise for another Franchised Business that will manage a Center at a location within the Territory during the term of the Franchise Agreement.

Management of an American Family Care Franchised Business

You may be an individual, sole proprietor owner, or you may be an entity. If you are an entity, you must appoint an Operating Principal. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for you and your entity. You, or your Operating Principal, will manage and provide general oversight of the Franchised Business.

Master Developer Program

DRX also offered franchises to “master developers” the right and obligation to (a) develop, open and operate at least 1 Franchised Business, (b) assist us with the sale of franchises to third parties who will own, operate and manage Franchised Businesses, and (c) perform certain initial and ongoing support and assistance functions for, and monitor the performance of, our franchisees. If you enter into a Franchise Agreement to operate a Franchised Business in an area in which there is a master developer, the master developer (instead of us) may perform these functions and services in connection with your Franchised Business. We do not offer franchises for master developers in this disclosure document. As of the date of this disclosure document, there are master developers operating in 7 master developer territories.

Industry-Specific Regulations

The medical industry and the provision of Urgent and Primary Care Services are heavily regulated. You are responsible for operating your Center in full compliance with all ~~laws that apply to your Franchised Business and the Center that you manage.~~ The medical industry is heavily regulated applicable laws, including those applicable to the operation of businesses generally. These laws may include federal, state and local regulations relating to: the corporate practice of medicine; practice of medicine and the operation and licensing of medical services; the relationship of providers and suppliers

of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kickback laws such as the Federal Medicare Anti-Kickback Statute and similar state laws; restrictions or prohibition on fee splitting; physician self-referral restrictions (including the federal “Stark Law” and similar state laws); payment systems for medical benefits available to individuals through insurance and government resources (including Medicare and Medicaid); privacy of ~~patient records~~ personal health information and other data privacy (including the Health Insurance Portability and Accountability Act of 1996, HITECH Act and Omnibus Rule); use of medical devices; ~~and prescribing, compounding, marketing, administering, packaging, and sale of medicines and other controlled substances~~; advertising of medical services. ~~While not all of these, providing other health and human welfare services; medical insurance; and laws and regulations will be applicable to all Centers, depending on location, services provided, and which types of government or private insurance may be accepted at a Center, it is important to be aware of the regulatory framework governing Medicare and Medicaid.~~

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

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

If we license you to operate a ~~Franchised Business~~ Center, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification, and if required by law, you must not engage in the practice of medicine, nursing, or any other profession that requires specialized training or certification. The Franchise Agreement ~~and Management Agreement~~ will not interfere, affect or limit the independent exercise of medical judgment by the PC and its medical staff. It will be your responsibility for researching all applicable laws, and we strongly advise that you consult with an attorney and/or contact local, state and federal agencies before signing a Franchise Agreement with us, or a ~~Management~~ Business Support Services Agreement with a PC, to determine your legal obligations and evaluate the possible effects on your costs and operations.

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

~~In addition, you must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including government regulations relating to occupational hazards, health, EEOC, OSHA, discrimination, employment, sexual harassment, worker’s compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security~~

taxes and sales and service taxes. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

Waiver of Management Agreement

In certain states, it may be permissible under the existing laws that may be applicable to medical practices and/or medical centers, for one entity to both manage and operate the Center, including hiring any medical and professional personnel and providing medical or urgent care services to patients at the Center. If you determine that the laws that would apply to a Center in your state would permit you to do so, you may request that we waive certain requirements of the Franchise Agreement related to separating the operation of the medical aspects of the Center from the management aspects. In particular, you (i) would not enter into a management agreement with a PC, and (ii) you would not be restricted from providing any medical or urgent care services to patients or hiring and supervising medical providers. Any waiver, or any modification of our standards, would be subject to compliance with all applicable laws and regulations. If we agree to a waiver, you must enter into an Amendment to Waive Management Agreement (which is Exhibit M to this disclosure document). Under this Amendment, you agree that, instead of entering into the Management Agreement with a separate PC, you will (a) operate the Center, including performing all responsibilities and obligations of the "PC" under the Management Agreement; and (b) manage the Center as required in the Franchise Agreement and by performing all the responsibilities and obligations of the "Company" under the Management Agreement.

As of the date of this disclosure document, we have been advised by our health care counsel that the following states' laws may permit (or do not prohibit) a person or entity to both operate and manage an urgent care center without establishing 2 separate entities: Alabama, Alaska, Arizona, District of Columbia, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Utah, Vermont and Virginia. Additionally, the laws applicable to your Center may change, and if there are any changes in medical regulations or other laws that would render your operation of the Center through a single entity (or otherwise) in violation of any medical regulations, you must immediately advise us of such change and of your proposed corrective action to comply with Medical Regulations, including (if applicable) entering into a management agreement with a PC.

Competition

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

ITEM 2 **BUSINESS EXPERIENCE**

President and CEO

Jeremy Morgan - Chief Executive Officer

—Randy Johansen

Randy Johansen Mr. Morgan has served as ~~President of AFCF~~ since its formation in March 2013 and has served a

Executive Vice President and Dan Olivier - Chief Financial Officer

Joseph Hawley

Joseph Hawley Mr. Olivier has served as ~~Executive Vice President and~~ our Chief Financial Officer ~~of AFCF~~ since its formation in March 2013 and has served as ~~Executive Vice President and~~

January 2025 and is based in Birmingham, Alabama. From July 2022 to January 2025, he was employed by Ideal Image Development Corp. in Tampa, Florida (Chief Financial Officer of our Parent since January 1998; from January 2024 to January 2025 and Chief Accounting Office from July 2022 to January 2024). From May 2019 to July 2022, he was VP Corporate Controller at SmileDirect Club in Nashville, Tennessee.

Jason Badyrka - Chief Operations Officer

Jason Badyrka

Jason Mr. Badyrka has served as our Chief Operations Officer ~~of AFCF~~ in Birmingham, Alabama, since July 2022 and previously served ~~was~~ our Vice President, Franchise Operations ~~of AFCF~~ from July 2018 to July 2022.

Vice President, Real Estate and Construction

Joseph A. Gechigian

~~Joey Gechigian has served as Vice President, Real Estate and Construction of AFCF since October 2023. From May 2022 to September 2023, he was Senior Project Manager for Mavis Tire in Birmingham, Alabama. From July 2017 to May 2022, he was Senior Project Manager for Dollar General Corporation, Birmingham, Alabama.~~

Vice President, Marketing

Meagan Price

~~Meagan Price has served as Vice President of Marketing of Parent since June 2022 and was Director of Franchise Marketing of AFCF from September 2020 to June 2022. From November 2017 to August 2020, she was Regional Marketing Manager of Capital Vision Services, Birmingham, Alabama.~~

Vice President, Franchise Operations

Laura Bradbury

~~Laura Bradbury has served as Vice President, Franchise Operations of AFCF since July 2022. She was Director, Franchise Operations from October 2018 to July 2022.~~

Franchise Administrator

Brandy Hopkins

~~Brandy Hopkins has served as the Franchise Administrator for AFCF since March 2023. From March 2021 to March 2023, she was Workers Compensation Specialist for Parent. From October 2020 to March 2023, she was Customer Service Representative for Parent. From February 2019 to March 2020, she was a Paralegal for Parnell & Crum, PC in Hoover, Alabama.~~

Franchise Development Administrator

Kari Bice

~~Kari Bice has served as the Franchise Development Administrator for AFCF since July 2023. From April 2022, she was Credentialing Coordinator at Encompass Health in Birmingham, Alabama, and from November 2018 to April 2022 she was Front Desk Manager at Emory Rehabilitation Outpatient Center in Sandy Springs, Georgia.~~

Vice President of Franchise Development

Paige Robinson

~~Paige Robinson has served as Vice President of Franchise Development of AFCF since June 2022. She was Director of Franchise Development and Health System Affiliations of AFCF from October 2017 to June 2022.~~

Manager, Franchise Development

Brian Robinson

~~Brian Robinson has served as Manager, Franchise Development of AFCF since September 2020 and was Sales Support Specialist of AFCF From July 2019 to September 2020. From April 2015 to July 2019, he served as Manager of Patient Accounts of Parent.~~

Manager, Franchise Development

Melissa Norton

~~Melissa Norton has served as the Manager, Franchise Development of AFCF since July 2022. From April 2021 to May 2022, she was a Franchise Business Consultant at AFCF. From July 2016 to April 2021, she was the Practice Administrator at Cooley Dickinson in Northampton, Massachusetts.~~

Franchise Inside Sales Specialist

Giann Hoosier

~~Giann Hoosier has served as Franchise Inside Sales Specialist of AFCF since June of 2021. From October of 2020 to June 2021, she served as the Franchise Sales Support Specialist of AFCF. From August of 2018 to October 2020, she served at the Membership Development Specialist of Girls Scouts, Heart of the South in Jackson, Tennessee.~~

Manager of Architectural Design**Dawn Minagil**

Dawn Minagil has served as Manager of Architectural Design for AFCF since November 2023. From February 2023 to November 2023, she was Development Manager for Mapco Express in Franklin, Tennessee. From September 2022 to February 2023, she was Senior Project Manager for Change Up in Dayton, Ohio. From June 2020 to September 2022, she was Brand Design Supervisor for Dollar General in Goodlettsville, Tennessee, and was their Designer from December 2017 to July 2019. From July 2019 to June 2020, she was a Floor Planner at Freeman in Las Vegas, Nevada.

Manager, Franchise Development**Tina Patel**

Tina Patel has served as Manager, Franchise Development of AFCF since June 2022, and has served as Franchise Development Administration of AFCF since June 2021. From September 2020 to June 2021, she was Human Resources Representative for Parent. From May 2019 to May 2020, she was Manager of BeeActive, Birmingham, Alabama.

Director, Franchise Operations**Pearl King Hessmer**

Pearl Hessmer has served as Director of Regional Operations of AFCA since October 2018.

Director, Franchise Operations**Woods McKibbens**

Woods McKibbens has served as Director, Franchise Operations, of AFCF since October 2018.

Director, Franchise Operations**Sarah Moses**

Sarah Moses has served as Director, Franchise Operations, of AFCF since July 2022. Prior to this, she served as Regional Vice President of Operations and Senior Director of Operations at MedExpress Urgent Care, Pittsburgh, Pennsylvania, from June 2015 to April 2022.

Franchise Business Consultant**George Curtis Roberts, III**

Curt Roberts has served as Franchise Business Consultant of AFCF since February 2023. He was Senior Opening Consultant for AFCF from February 2022 to February 2023 and was Franchise Business Consultant for AFCF from December of 2019 to February 2022. He was Team Lead for Parent in Birmingham, Alabama, from January 2018 to November 2019.

Franchise Business Consultant**Jill Ricevuto**

Jill Ricevuto has served as a Franchise Business Consultant of AFCF since September 2021. From January 2016 to September 2021, she served as Urgent Care Supervisor of Operations and Clinical Coordinator at Jupiter Medical Center, Jupiter, Florida.

Franchise Business Consultant**Morgan Roe**

Morgan Roe has served as Franchise Business Consultant of AFCF since November 2020. From May 2018 to November 2020, she was Director of Timbre Land, LLC DBA Bach To Rock Tanasbourne, Hillsboro, Oregon.

Franchise Business Consultant**Bryan Barnes**

Bryan Barnes has served as Franchise Business Consultant of AFCF since May 2021. From August 2007 to May 2021, he was the Center Administrator and Director of Occupational Health for CompChoice in Omaha, Nebraska.

Franchise Business Consultant**Samantha Santiago**

Samantha Santiago has served as Franchise Business Consultant of AFCF since September 2022. From July 2021 to September 2022, she was Patient Operations Lead at MedExpress Urgent Care overseeing three Urgent Care locations in Chicopee, Massachusetts, and from July 2020 to July 2021, she was their Patient Experience Representative, and was their Front office Assistant from December 2018 to July 2021.

Senior Graphic Designer**Ellen Miller**

Ellen Miller has served as a Graphic Designer of AFCF since October 2020. From April 2011 to May 2020, she was Graphic Designer for Martin Advertising in Birmingham Alabama.

Junior Graphic Designer**Abby Tucker**

Abby Tucker has served as Junior Graphic Designer for AFCF since July 2023. From May 2022 to July 2023, she was a Junior Graphic Designer at Lake Homes Realty in Birmingham, Alabama. From August 2018 to May 2020, she was a student at Denmark High School in Cumming, Georgia.

Franchise Marketing Consultant**Breanna Duvall**

Breanna Duvall has served as a Franchise Marketing Consultant of AFCF since April 2021. From September 2020 to April 2021, she was a Sales Coordinator at Donohoo Auto, Pelham, Alabama. From June 2020 to August 2020, she was an Administrative Assistant for MegaMet Industries, Birmingham, Alabama. From May 2018 to March 2020, she was the Public Relations and Social Media Specialist for Wellborn Cabinet in Ashland, Alabama.

Franchise Marketing Consultant **—Jazelyn Little**

Jazelyn Little has served as a Franchise Marketing Consultant of AFCF since July 2022. From March 2021 to July 2022, she was a Marketing Maven at Iron City Social in Birmingham, Alabama. From July 2020 to March 2021, she was a Client Re-engagement Specialist at Southern Veterinary Partners in Birmingham, Alabama. From July 2017 to July 2020, she was a FT Sales Lead for Hanna Andersson in Birmingham, Alabama.

Franchise Marketing Consultant **Kristen Cottingham**

Kristen Cottingham has served as a Franchise Marketing Consultant for AFCF since April 2023. From February 2020 to March 2023, she was Marketing Coordinator for Two Maids Franchising, Birmingham, Alabama. From January 2014 to January 2020, she was a Wardrobe Buyer for The Clothes Tree by Deborah in Birmingham, Alabama.

Real Estate Analyst **Teresa Larson**

Teresa Larson has served as Real Estate Analyst of AFCF since August of 2021. From November 2018 to August 2021, she was Technical Support Analyst for Occupational Health Dynamics, Birmingham, Alabama.

Real Estate Manager **—Jay Callahan**

Jay Callahan has served as Real Estate Manager at AFCF since April 2023. From January 2022 to April 2023, he was Asset Manager at First Key Homes in Atlanta, Georgia, and from February 2017 to January 2022 he was the Director of Asset Management for Southeastern Investment Company in Birmingham, Alabama.

Project Manager **Tiffeny Phillips Robertson**

Tiffeny Robertson has served as Project Manager of AFCF since January 2023. From June 2020 to December 2021, she was a Construction Project Manager with BL Harbert International, Birmingham, AL. From November 2015 to June 2020, she was Project Engineer at Vulcan Industrial Contractors, Birmingham, AL. From January 2018 to August 2019, she was a Student at University of Alabama, Birmingham, Alabama.

Project Manager **Taren Taylor-Bonner**

Tarren Taylor-Bonner has served as Construction Project Manager for AFCF since May 2023. From August 2021 to June 2023, she was Operations Support Specialist at Strathmore Floors, Birmingham, Alabama. From October 2019 to August 2021, she was Sales Specialist at Home Depot, Birmingham, Alabama. From 2018 to 2020, she was an Engineering Construction student at the University of Alabama in Birmingham, Alabama.

Project Manager **—Demarcus McClain**

Demarcus McClain has served as Construction Project Manager for AFCF since March 2022. From July 2020 to March 2022, he served as Construction Project Manager with THS, LLC, Birmingham, Alabama. From August 2019 to April 2020, he was Project Designer for Dekalb, Birmingham, Alabama. He was a Designer for Floor and Décor, Birmingham, Alabama, from August 2017 to September 2019.

Franchise Business Consultant **—Josh Dunn**

Josh Dunn has served as Franchise Business Consultant for AFCF since April 2022. From January 2016 to June 2019, he served as a nurse at Children's Hospital of Alabama, Birmingham, Alabama. From June 2019 to June 2021, he served as Operations Coordinator for Alabama Allergy and Asthma Center, Birmingham, Alabama. From June 2021 to April 2022, he served as Practice Manager of Cardiovascular Surgery at Brookwood Baptist Health, Birmingham, Alabama.

Franchise Opening Consultant **Nirali Patel**

Nirali Patel has served as Franchise Opening Consultant for AFCF since May 2022. From

August 2022 to April 2023, she was a Program Assistant at the University of Alabama in Birmingham, Alabama, and was a student there from August 2017 to May 2023.

Franchise Opening Consultant

Pamala Holmes

Pamala Holmes has served as Opening Consultant for AFCF since January 2024. From March 2022 to January 2024, she served as Training Specialist for Parent. From July 2021 to March 2022, she served as an Assistant Center Administrator for the AFC clinic in Trussville, Alabama, and was their Medical Assistant from September 2001 to July 2021.

Franchise Opening Consultant

Jane Margaret McEachin

Jane-Margaret McEachin has served as Franchise Opening Consultant of AFCF since December 2022. From July 2020 to December 2022, she was a student studying Health Services Administration at Auburn University, Auburn, Alabama. From August 2019 to May 2020, she was a student at Abraham B. College, Tifton, Georgia.

Sr. Training Specialist

Stephanie Hartline

Stephanie Hartline has served as Senior Training Specialist for AFCF since May 2023. From February 2023 to May 2023, she was Training Manager for Parent and was Senior Trainer from September 2020 to February 2021. From April 2016 to September 2020, she served as Center Administrator for AFC Clinic in Fort Oglethorpe, Georgia.

The following persons are employees of Parent, or our affiliate AHR, who will be providing services to or interacting with our franchisees:

Benjamin Barlow, M.D. - Chief Information Medical Officer

Claudio

Claudius Moore Dr. Barlow has served as Chief Information Officer of Parent since May 2019. From September 2014 to January 2019, AFCLLC's Chief Medical Officer in Birmingham, Alabama, since September 2024. From October 2022 through August 2024 he was Chief Information Medical Officer of South Bend Clinic, LLP, South Bend, Indiana.

at Experity in Birmingham, Alabama. From June 2022 through General Counsel Michael A. Chester Michael A. Chester has served as General Counsel of Parent since January 2018.

Paralegal

Samantha Slanovits

Samantha Slanovits has served as the corporate paralegal of Parent since September 2023. From March 2021 to September 2023, she was a paralegal at Phelps Dunbar, LLP in Birmingham Alabama, and from August 2015 to March 2021 she was a law librarian and paralegal at Cabaniss Johnston Gardner Dumas and O'Neal, LLP in Birmingham, Alabama.

Chief Medical Officer

LouAnne Giangreco

LouAnne Giangreco has served as September 2022, he was not employed. From June 2018 through May 2022, he was AFCLLC's Chief Medical Officer of Parent since September 2023, and has been the Principal and Healthcare Consultant for June Rose Consulting, on the Internet, since May 2021. From July 2022 to May 2023, she was Senior Medical Director of Medical Affairs for Blue Cross & Blue Shield of Rhode Island, Providence, Rhode Island. From May 2020 to July 2021, she was Medical Officer at Cayuga Health

Adam Landry - Chief Marketing Technology Officer

William Koleszar

Bill Koleszar has served as Chief Marketing Officer of Parent since July 2023. From February 2019 to July 2023, he was Chief Marketing Officer for National Spine & Pain Centers in Rockville, Maryland.

Controller

Bill Anderson

Bill Anderson has served as Controller of Parent since October 2022. From January 2009 to October 2022, he was Managing Director at PricewaterhouseCoopers in Birmingham, Alabama.

Vice President, Recruiting

Patti Holt

Patti Holt has served as Vice President, Recruiting of our Parent since July 2016.

Vice President of Materials Management

Christopher J. Sherrod, Sr.

Christopher J. Sherrod, Sr., has served as Vice President of Materials Management of Parent since January 1993.

Executive Administrator

Charlie Duffield

~~Charlie Duffield has served as Executive Administrator of Parent since November 2022. She was Franchise Administrator of AFCF from November 2019 to November 2022.~~

Director of Managed Care

Katie Reeves

~~Katie Reeves~~Mr. Landry has served as ~~Director of Managed Care of Parent since December 2023. From July 2023 to~~our Chief Technology Officer since January 2025. From June 2024 through December 2023~~2024~~, she was ~~Manager at PWC in Birmingham, Alabama. From September 2021 to July 2023, she was Senior Associate at PWC. From November 2019 to September 2021, she was Advisor at Cigna Health, Birmingham, Alabama. From November 2017 to November 2019, she was Business Project Specialist at Cigna~~

ITEM 3
LITIGATION

Except for the 5 actions described below, there is no litigation that must be disclosed in this Item.

Pending Actions:

~~Groves Enterprises, Inc. v AFC Franchising, LLC. US District Court for the Northern District of Alabama, Case No. 2:23-cv-340 filed on May 17, 2023, by Groves Enterprises, Inc. (“Groves”) against AFCF for declaratory judgment as to Groves or its affiliates’ requirement to operate an AFC Clinic in the Territory as a condition to Groves’ maintaining and continuing to operate under the Master Developer Agreement (“MDA”). On November 3, 2023, Groves amended their Complaint to include a claim for breach of the Master Developer Agreement due to alleged wrongful termination prior to end of initial term and alleged wrongful refusal to grant a successor MDA.~~

~~AFCF Answered Groves’ Complaint and Amended Complaint. There is a Scheduling Order in place and the discovery deadline is July 31, 2024, with a trial date anticipated for March of 2025.~~

~~American Expert Doctors, Inc. v AFC Franchising, LLC. Superior Court of Alameda County, California, Case No. 23CV043631 filed September 12, 2023, by American Expert Doctors, Inc. against AFCF for Unfair Competition, Intentional Interference with Contractual Relations, Interference with Prospective Economic Advantage and Injunctive Relief. This case involves Parmjit M. Singh, MD, who is the same and only officer of Trovato Medical Group, Inc. (listed below) and American Expert Doctors, Inc. AFCF has filed a Motion to Dismiss or Stay based on Forum Non Conveniens.~~

~~AFC Franchising, LLC v Trovato Medical Group, Inc. and Parmjit M. Singh, MD (collectively “Defendants”). Circuit Court of Jefferson County, Alabama, Case No. CV-2023-901311, filed April 21, 2023, by AFCF now moved to US District Court for the Northern District of Alabama (Case No. 2:23-cv-684). We filed this complaint against our former franchisee, Trovato Medical Group, Inc., for injunctive relief as to its Non-Compete Agreement and Use of AFCF’s Marks to enforce the non-compete covenants against the defendants and prohibit their unauthorized use of the Marks. The Defendants removed this case to the US District Court for the Northern District of Alabama. Case No. 2:23-cv-684 and, and on June 16, 2023, the defendants filed a Counterclaim. The parties’ initial disclosures will be exchanged by January 26, 2024, and the parties are awaiting the Court’s Scheduling Order based upon the parties Joint Rule 26(f) Report. alleging, among other things, that we engaged in unlawful, unfair or fraudulent business practices and unlawfully restrained the practice of medicine by requiring physicians to execute illegal restrictive covenants to restrict their employment in the State of California. The defendants filed a Suggestion of Bankruptcy on August 9, 2024, which resulted in an automatic stay of these proceedings. A notice of bankruptcy dismissal was then filed on March 3, 2025. No dates for subsequent proceedings have been scheduled in this matter.~~

~~Danilo Purugganan v AFC Franchising, LLC. Circuit Court of Shelby County, Alabama, Case No. CV-2020-900226, filed March 6, 2020, by AFCF for Declaratory Judgment as to the forum selection and limited exclusivity clauses in the MDA between the parties. Danilo Purugganan (“Purugganan”)~~

entered into an MDA with Doctors Express Franchising, LLC (“DEF”) on August 26, 2009. DEF assets were acquired by DRX Urgent Care, LLC (“DRX”) in 2012. In 2013, AFCF acquired the assets of DRX and took assignment of the MDA.

Purugganan removed this case to the US District Court for the Northern District of Alabama. Case No. 2:20-cv-456 and filed a Counterclaim. A Motion to Dismiss filed by Purugganan was granted and AFCF appealed this decision to the US Court of Appeals, Eleventh Circuit on August 11, 2022.

Following AFCF’s Declaratory Judgment filing in the US District Court for the Northern District of Alabama, on March 17, 2020, Purugganan filed an action in the US District Court the District of Connecticut, Case No. 3:20-cv-360-KAD. Purugganan’s complaint sought injunctive relief, claimed breach of contract, violation of good faith and fair dealing, violation of uniform commercial code, promissory estoppel, declaratory relief as to the Master Developer Agreement, violation of the Sherman Act, tortious interference with contractual relations and prospective economic advantage, declaratory judgment as to venue, violation of the Connecticut Franchise Act, violation of the Connecticut Unfair Trade Practices Act, abuse of process, and declaratory relief as to mediation.

Following the Eleventh Circuit’s remand, AFCF filed a Motion to Transfer the District of Connecticut case to US District Court for the Northern District of Alabama. That motion was denied by the District of Connecticut. Trial is expected to be set in the summer or fall of 2024.

Lavender Health Care, LLC vs. AFC Franchising, LLC. Circuit Court of Shelby County, Alabama, Case No. CV-2019-900415.00-LMA, filed April 18, 2019. Lavender Health Care, LLC (“Lavender”), filed its original Complaint in the Circuit Court of Manatee County, Florida on February 6, 2019, with regard to Richard Kimsey’s (“Kimsey”) Master Developer Agreement with Doctors Express Franchising, LLC. Kimsey transferred the agreement to Lavender. AFCF purchased Doctors Express, who transferred the agreement to AFCF. This case was tried before Judge Lara Alvis on November 16 and 17, 2023. The parties have been ordered to submit Post-Trial Briefs by February 19, 2024.

Prior Actions:

AFC Franchising, LLC, Plaintiff vs. Fairfax Family Practice, Inc., et al., Defendants. Eastern District, Virginia, Case No. 1:18-cv-01356. This case was commenced by the AFCF against a former franchisee and its principal arising out the termination of the franchise agreement and the franchisee’s continued operation using the AFC trademarks, service marks, and system after the termination. The Company sought a preliminary injunction, which the Court entered on November 15, 2018. The Defendants have asserted counterclaims against the Company for breach of contract and violation of the Virginia Retail Franchise Act. The counterclaims seek damages in the amount of \$2,000,000, plus interest and attorneys’ fees. The Company has denied the defendants’ counterclaims and discovery concluded.

On May 27, 2020, the Court entered a Judgment in favor of AFCF in the amount of \$24,091, plus interest, costs and attorneys’ fees.

AFC Franchising, LLC, Plaintiff vs. Earl S. Reed, Jr. and Urgent Care of Mount Vernon, LLC, Defendants. US District Court for the Northern District of Alabama, Case No. 2:16-CV-1770-AG-ALND. This matter was a suit for damages and injunctive relief filed by AFC Franchising (“AFCF”) against a franchise located in Virginia. This suit was brought on October 28, 2016.

On October 2, 2018, AFCF obtained a default judgment in the amount of \$94,785.04, plus post-judgment interest at the statutory rate.

AFC Franchising, LLC, Plaintiff vs. Exigent Care, Inc., Keith Pellicano and Rhonda Pellicano, Defendants. US District Court for the Northern District of Alabama, Case No. 2:17-CV-793-RDP. This matter was a suit for damages for unpaid royalties and injunctive relief filed by AFC Franchising (“AFCF”) against a franchisee located in Virginia. This suit was brought on May 15, 2017.

On May 22, 2018, AFCF obtained a default judgment in the amount of \$193,226.33, plus post-judgment interest at the statutory rate.

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

In March 2014, the United States, through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Resources (collectively the United States) and the Ddefendant entered into a ~~S~~settlement ~~A~~greement. In the Settlement, ~~AFC~~the defendant did not admit to any wrongdoing but agreed to pay the United States \$1,200,000 to end the litigation with the United States. The settlement Agreement also provided for mutual dismissal of certain rights and preservation of other rights. ~~The Settlement Agreement was filed in Court on March 14, 2014, and can be inspected fully.~~

~~The money has been paid by AFC and the United States has dismissed the claims involving the Covered Conduct. Otherwise, the remainder of the Civil Action will remain pending. The Defendant, when served, intends to vigorously defend the remaining claims. On March 17, 2014, the C~~court ~~entered an Order lifting~~lifted the seal with respect to the ~~Relator’s~~splaintiff’s complaint and the United States’ motions. ~~Defendant was prevented from disclosing the existence of this litigation prior to the March 17, 2014, Order partially unsealing the Complaint.~~

~~AFC~~The defendant vigorously defended ~~this~~the allegations under the False Claims ~~case. Several of the claims have been dismissed by the Plaintiff and others are under summary judgment review. In April 2017, the presiding judge granted summary judgment in favor of AFC on the majority of claims asserted in this case and set the remaining claims for trial in July 2017~~Act. In June 2017, the ~~parties~~plaintiff and the defendant settled the remaining claims pursuant to a ~~C~~onfidential ~~S~~settlement ~~A~~greement. The Plaintiff dismissed her remaining claims against AFC, with the consent of the USA, in exchange for a relatively small amount of moneycomplaint was dismissed in July 2017.

~~Laura Fabbro and Fabbro Enterprises, LLC, Plaintiffs vs. American Family Care, Inc., Defendant. Superior Court of New Jersey, Law Division, Mercer County, Docket No. MER-L-00293, filed February 7, 2017. This suit was brought by franchisees Laura Fabbro and Fabbro Enterprises, LLC, alleging that AFC was in breach of its franchise agreement and seeking an injunction and monetary damages. Specifically, Fabbro contended that AFC’s demand to rebrand her franchise from “Doctors Express” to “American Family Care” was a breach of its obligations under the franchise agreement to allow her to use the Doctors Express trade name in the operation of an urgent care medical facility. This case was dismissed without prejudice by the presiding judge on June 13, 2017, before any action was taken.~~

~~AFC Franchising, LLC, Plaintiff vs. Connor Ferguson and Thomas Ferguson, Defendants. Circuit Court, Shelby County, Alabama, Case No. 58-CV-2018-900856. This suit was brought by AFC Franchising (“AFCF”) against former franchisees for breach of a Settlement Agreement between the parties. This case was settled, and the Defendants paid AFCF the sum of \$60,000. This case was dismissed.~~

Lavender Health Care, LLC vs. AFC Franchising, LLC. Circuit Court of Shelby County, Alabama, Case No. CV-2019-900415.00-LMA, filed January 14, 2022. The plaintiff filed its original

complaint in the Circuit Court of Manatee County, Florida on February 6, 2019, with regard to Richard Kimsey's master developer agreement with Doctors Express Franchising, LLC which was later assigned to us alleging, among other things that, we wrongfully terminated the plaintiff's master development agreement, and we and our area developer engaged in anticompetitive conduct in order to restrain competition in the plaintiff's territory. This case was settled by the parties on May 30, 2024 and we paid the plaintiff \$1,000,000. Pursuant to the settlement agreement, we and the plaintiff agreed to mutual confidentiality and non-disparagement covenants and released each other and each other related parties of all claims arising from the master development agreement. The case was dismissed with prejudice on June 17, 2024.

~~AFC Franchising, LLC, Plaintiff vs. Laura Fabbro, Defendant. US District Court, Northern District of Alabama, Case No. 2:18-CV-00742-ALND, filed May 15, 2018. This suit was brought against franchisee, Laura Fabbro, for breach of franchise agreement as a result of Fabbro's failure and refusal to comply with AFCF's direction to substitute the "American Family Care" Mark for the "Doctor's Express" Mark in the operation of her franchised Clinic.~~

Danilo Purugganan v AFC Franchising, LLC. Circuit Court of Shelby County, Alabama, Case No. CV-2020-900226, filed March 6, 2020. We initiated this case to seek declaratory judgment to enforce the forum selection and limited exclusivity clauses in the master developer agreement between Danilo Purugganan ("Purugganan") and Doctors Express Franchising, LLC, which was later assigned to us. Purugganan removed this case to the US District Court for the Northern District of Alabama (Case No. 2:20-cv-456) and filed a counterclaim alleging fraudulent breach of the master developer agreement by us and seeking damages and a declaration that the non-compete covenant in the master developer agreement is not enforceable. Purugganan's motion to dismiss our claim was granted and we appealed this decision to the US Court of Appeals, Eleventh Circuit on August 11, 2022. Purugganan also filed an action in the US District Court the District of Connecticut (Case No: 3:20-cv-360-KAD) alleging breach of master developer agreement and covenant of good faith and fair dealing and seeking a declaration regarding the proper venue for the dispute, a declaration that the non-compete covenant in the master developer agreement is void and not enforceable, and damages. This case was settled by the parties on September 18, 2024 and we paid Purugganan \$6,500,000. Pursuant to the settlement agreement, we and Purugganan agreed to mutual confidentiality and non-disparagement covenants and released each other and each other related parties of all claims arising from the master development agreement. The case was dismissed with prejudice on September 30, 2024.

~~On or about June 28, 2018, Fabbro filed a Motion to Dismiss and, in the Alternative, Motion to Transfer Case to the District of New Jersey. This motion has been fully briefed by both parties and the Court denied Fabbro's motion on or about December 6, 2019. Fabbro has since closed her location and the suit has been dismissed.~~

ITEM 4 **BANKRUPTCY**

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

ITEM 5 **INITIAL FEES**

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

You must pay us an initial franchise fee (the "Initial Franchise Fee") of \$60,000 ~~and is payable in a lump sum when you sign the Franchise Agreement.~~ The ~~i~~Initial ~~f~~Franchise ~~f~~Fee is ~~uniform to all new~~

~~franchisees, is fully earned by us, and is non-refundable. subject to reduction in the following circumstances:~~

Conversion Initial Franchise Fee

~~If you become a Conversion Franchisee, you must pay us an initial franchise fee of \$45,000. The initial franchise fee is due when you sign the Franchise Agreement. The initial franchise fee is uniform to all new conversion franchisees, is fully earned by us and is non-refundable.~~

Area Development Fee

~~If Area Development Agreement: If, when you sign the Franchise Agreement (the “Initial Franchise Agreement”), you also sign an Area Development Agreement (“ADA”), you must pay us an initial development fee of \$60,000 for the first franchise and a non-refundable deposit of \$10,000 for each additional franchise to be developed under the ADA. The number of units for to acquire additional Franchises (each an “Additional Franchise”), and provided you remain in compliance with your obligations under the Area Development Agreement ~~will be negotiated between you and us but will be no less than 4.~~ The initial franchise fee for the Initial Franchise Fee for the Initial Franchise Agreement will remain at \$60,000, but for each such Additional Franchise you acquire pursuant to and during the initial term of the Area Development Agreement, the Initial Franchise Fee will be reduced as follows: 1st Additional Franchise, \$50,000; and each subsequent Additional Franchise under the ADA is, \$45,000. ~~The remaining fee of \$35,000 is paid to us when each Franchise Agreement is signed. The ADA fee is calculated on a uniform basis for all new Developers and is non-refundable.~~~~

~~***~~

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

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

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

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

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

~~All franchisees must purchase from AFCLLC and our affiliate, AFCP, part of the medical supplies and equipment for the Center it will be managing. We estimate the total cost of these purchases to be approximately sell certain medical equipment and supplies to our franchisees. If you purchase those equipment and supplies from AFCLLC or AFCP then you will pay an amount in the range of \$80,000 -~~

\$145,000 depending ~~upon~~ on your purchase quantities and delivery location ~~and economic factors~~. This amount is paid in a lump sum, is uniformly imposed, and is non-refundable.

~~You pay us or our affiliates no other fees or payments for goods or services before your Franchised Business opens.~~

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

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

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

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

Area Development Fee - \$47,500

~~[The remainder of this page intentionally left blank.]~~

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

ITEM 6

OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
~~Continuing Service and Royalty~~	6% of Net Payments (Note 2) for the preceding week (Note 3)	On the Wednesday immediately following the previous week <u>or such other day of the week that we periodically specify</u>	<u>See Note 2 below for the definition of Net Payments.</u> The ~~R~~ oyalty is payable to us by an automatic, electronic debit of funds.
~~Marketing Fee~~ ~~Marketing Fund~~ (Note 4)	<u>Currently, 1% of Net Payments, but may be changed, on notice to you, subject to the Marketing Expenditure Cap. See Note 4-3.</u>	On the Wednesday immediately following the previous week <u>or such other day of the week that we periodically specify</u>	<u>Payable with and in the same manner as Royalty. We allocate the Marketing Fee to the Marketing Fund</u> ~~may make materials available for purchase. (as defined in Item 11).~~
Local Advertising Requirement	<u>At least \$2,000 per month</u> ~~minimum(not including labor cost)~~ , beginning 3 months after your	Monthly	You are required to spend this ~~fee in your local market.~~ ~~We will conduct audits of your advertising expenditures, averaging~~

Type of Fee (Note 1)	Amount	Due Date	Remarks
	~~Center's~~ <u>Grand Opening</u>		~~them over a 6-month period. If we find you have not spent \$2,000 per month on average, we reserve the right to have you pay this amount directly to~~ <u>amount on local advertising of your Center. If, for any month, you fail to spend the required minimum amount in accordance with our System Standards, then we may require you to pay us, for the benefit of the Marketing Fund</u> ~~in addition to the required 1% of your Net Payments, the difference between \$2,000 and the amount you actually spent.~~
<u>Reimbursement of Cost for Supplying Marketing Materials</u>	<u>Actual Cost of production, plus any related shipping, handling, and storage charges.</u>	<u>As incurred</u>	<u>This amount is payable if we or the Marketing Fund provide you with marketing materials for your Center.</u>
<u>On-Going Training Fee for providing (i) initial training to additional, replacement Operating Principal and Center Administrator(s); and (ii) supplemental or on-going training</u>	<u>\$1,500 per Center Administrator and 750 per Operating Principal and other attendees if the training is conducted at our headquarters. Reasonable registration or similar fees. Re-training fee or new Center Administrator training fee \$1,500 each, plus travel, lodging, and meals. If we send our trainer to your Center, then you will pay \$1,500 per trainer per day, plus the travel and living expenses incurred by the trainers in</u>	<u>As incurred Prior to attending training</u>	~~If we initiate new programs or if the Center is not performing as well as other Centers, we may require you (or your~~ <u>We do not charge any fee for providing initial training to you, your initial Operating Principal (as defined in Item 15), and your initial Center Administrator, your Marketing Representative and/or other previously trained and experienced managers to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We (as</u>

Type of Fee (Note 1)	Amount	Due Date	Remarks
	<u>providing training at your Center.</u>		<u>defined in Item 15), but we may charge a fee for providing initial training to any replacement ~~or~~ substitute personnel and for providing any additional training to you, your Operating Principals, Center Administrators, ~~or persons who must attend re-training (see Item 11 under “Training”). In 2023, the convention or annual conference fee was \$500. We do not charge a fee for regional conferences, but you must pay your own out-of-pocket expenses and other attendees.~~</u>
<u>Fee for additional opening assistance</u>	<u>\$1,500 per trainer per day, plus the travel and living expenses incurred by the trainers in providing such assistance to you.</u>	<u>As incurred</u>	<u>This amount is payable if, in our discretion, we provide opening assistance in addition to the opening assistance that we are required to provide under the Franchise Agreement.</u>
<u>Renewal Conference Registration Fee</u>	<u>~~\$5,000~~ \$75 to \$1,500 per person and subject to increase depending on the third-party costs we incur.</u>	<u>~~Upon renewal~~ As incurred</u>	<u>This is a per-conference per-person fee to attend training and franchisee conferences. We may require your Operating Principals and Center Administrators to attend any such conference.</u>
<u>Successor Franchise Fee</u>	<u>\$5,000 or 10% of the then-current Initial Franchise Fee, whichever is higher.</u>	<u>Upon renewal</u>	
<u>Transfer of Fee (Franchise Agreement—~~in operation~~)</u>	<u>The higher of \$10,000 or 10% of the then-current Initial Franchise Fee if the transfer is not facilitated by us or our agents; or the</u>	<u>At time of transfer</u>	<u>The transfer fee will be waived ~~if the transferee: (a) is an entity controlled by you, or (b) has obtained the Franchised Business as a result of~~ for transfer of the franchise agreement to an</u>

Type of Fee (Note 1)	Amount	Due Date	Remarks
	<u>higher of \$25,000 or 10% of the then-current Initial Franchise Fee if the transfer is facilitated by us or our agents.</u>		<u>entity in which you own 100% of the ownership interest and any transfer arising from</u> your death or disability.
Transfer Brokerage Fee (<u>Area Development Agreement</u>)	\$25,000	At time of transfer	~~Paid to us if transfer is result of organic lead effort by Franchisor or associated broker. Fee will be waived if the buyer is an existing franchisee.~~
Offering	\$7,500		When you notify us of the potential offering
			Payable to us for reviewing a proposed offering of equity interests in your company.
Interest on Overdue Amounts	<u>Lesser of</u> 1.5% per month or the highest commercial contract interest rate permitted by law ^(Note 5)	Upon demand	~~We may debit your bank account automatically for late fees and interest. This should not be interpreted as our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business~~ <u>Accrues on all past-due amounts until paid.</u>
Audit Costs	Costs of the examination	Upon demand	Payable only if an ~~examination~~ <u>audit</u> is necessary due to your failure to <u>timely</u> furnish reports, supporting records, or other information as required, ~~or to furnish them on a timely basis~~ <u>under the Franchise Agreement</u> or if our ~~examination~~ <u>audit</u> reveals ~~an~~ <u>that you</u> understatement ~~d~~ of Net Payments ~~exceeding~~ <u>by</u> 5% ~~of the amount that you actually reported to us or more~~ for the period examined.
Indemnification	Varies	Upon demand	You will <u>defend, indemnify, and hold harmless</u> us <u>and our related parties</u> against any ~~costs~~ <u>third-party claims</u>

Type of Fee (Note 1)	Amount	Due Date	Remarks
			arising out of the ~~Franchised Business's~~ operation <u>of your Center</u> , the business you conduct ~~under~~ <u>pursuant to</u> the Franchise <u>Agreement</u> , <u>Business Support Services Agreement</u> , or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	~~Varies~~ <u>Actual Cost</u>	Upon demand	Reimbursement ~~to us for all~~ of the costs and expenses that we <u>and our related parties</u> incur due to your failure to pay amounts owed to us, to submit any reports, information, or supporting records, or otherwise to comply with the Franchise Agreement, <u>and reimbursement of costs and expenses that we may be awarded if we are the prevailing party in any litigation or arbitration.</u>
Insurance Costs	Varies. <u>The actual cost of obtaining insurance on your behalf plus an administrative fee of 10% of the amount of the premiums.</u>	Upon demand	If you fail or refuse to obtain and maintain the insurance we specify, we may obtain the insurance ~~for you and the Franchised Business~~ on your behalf, <u>and</u> you must reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.
<u>Reimbursement of Cost Associated Data Extraction Fee</u>	~~\$3,500~~ <u>The actual amount that we pay to the vendor.</u>	On Demand	~~To reimburse us for payments~~ <u>Payable if we make a data extraction request</u> to the EMR ~~services~~ provider <u>for your Center.</u>
Annual Training Fee <u>(certain required)</u>	\$2,400 <u>per Center</u>	On Demand	~~To provide you updated training~~ <u>For use of MedTrainer and UpToDate software programs.</u>

Type of Fee (Note 1)	Amount	Due Date	Remarks
software)			
Franchisee Council Fee Reimbursement of Costs	\$125 bi-annually Varies	On Demand As incurred	~~You are required to join our~~ Unless otherwise mentioned in the fFranchisee council and Agreement, you must reimburse us for all costs that we pmay incur on your behalf.
Monetary Sanctions Technology Fee	Currently, \$100-\$50,000275 per month but subject to increase to not more than 1% of the Center's Net Payments.	5 days after notice Monthly	~~In the event of a non-compliance incident, you may be subject to monetary sanctions. In the event of an uncured default after notice for which the agreement may be terminated, we may impose monetary sanctions vs. termination~~ We charge you a recurring technology fee for certain technology services that we or our affiliates provide to you or, at our discretion, make available to you through third parties.
Technology ASP Hosting Fee (Note 6)	VariesOur actual cost	Upon demand As incurred	~~To provide you technology platforms~~ Payable if we retain a third-party provider, or an Applications Service Provider ("ASP") or a Managed Services Provider ("MSP") to provide some or all of the computer and network service for the Centers.
Lost Revenue Damages	Will vary. See Remarks column for the formula for calculating the Lost Revenue Damages.	Payable within 15 days of termination of Franchise Agreement	Payable if we terminate the Franchise Agreement for your breach or you terminate it without cause. Lost Revenue Damages are calculated by multiplying (1) the greater of 36 months or the number of months remaining on the term of the Franchise Agreement, by (2) the highest monthly Royalty and Marketing Fund payments owed during the

Type of Fee (Note 1)	Amount	Due Date	Remarks
			<u>36 full calendar months (or, if your Center has not been operating for 36 months, the highest average Royalty and Marketing Fund payments owed by any Center in the System during the 36 full calendar months) immediately preceding the earlier of the date on which your Center operated in compliance with the Franchise Agreement.</u>

Notes:

1. ~~1.~~ All fees are imposed by and are payable to us, except as specified for the fees payable to our affiliates and your local advertising expenditures. All fees are uniformly imposed ~~and are non-refundable. However, in certain cases and circumstances when appropriate, DRX may have waived some or all of these fees for a particular franchisee and we may take similar actions in~~ in our discretion, unless we agree to negotiate them ~~future.~~

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

~~You will authorize us to debit your business checking account automatically for the Royalty and the Marketing Fund contributions (the “Electronic Depository Transfer Account” or “EDTA”). We will debit the EDTA on the specified dates that payments are due.~~

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

3. ~~The Royalty will be calculated on a weekly basis, according to the weekly accounting and reporting periods established by us.~~
4. ~~The current Marketing Fund contribution is 1.0%. Through the Marketing Fund, we may make available certain marketing materials that you may purchase for your use in local advertising and promotion. The prices of the materials will vary as the prices will be established to cover the Marketing Fund's costs in preparing the materials.~~
5. ~~In California, the highest commercial interest rate permitted by law is 10% per annum.~~
6. ~~We do not currently charge a technology fee but reserve the right to do so. You agree to pay the then-current fee as we impose.~~

Area Development Agreement

If you sign an Area Development Agreement, you should review both the above table of fees applicable to Franchise Agreements, as well as the following table of fees:

Type of Fee	Amount	Due Date	Remarks ^(Note 1)
Initial ADA Fee	\$60,000 for first Center and \$10,000 for each additional Center	On signing the ADA	The initial franchise fee for each subsequent franchise opened under the Area Development Agreement is \$45,000; \$10,000 of your development fee will be applied to each franchise developed
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising out of your franchise operations
Monetary Sanctions	\$100 - \$50,000	5 days after notice	In the event of a non-compliance incident, you may be subject to monetary sanctions. In the event of an uncured default after notice for which the agreement may be terminated, we may impose monetary sanctions vs. termination.

Note 1: All fees are payable to us and are non-refundable.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. New Development (non-conversion)*

A. FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ⁽¹⁾	\$60,000	Lump sum	~~At signing of your~~ <u>On execution of</u> Franchise Agreement	Us
Travel and Living Expenses While Training ⁽²⁾	\$1,500 - \$3,000	As incurred ~~per participant, via cash or credit~~	During training	~~Airlines, hotels and restaurants~~ <u>Third-Party Suppliers</u>
Lease, Utility and Security Deposits ⁽³⁾	\$6,000 - \$10,000	As incurred, <u>via cash or credit</u>	When you sign your lease, or start up an account with utility company	Landlord, Utilities
~~Medical Equipment~~ <u>Lease Review Fee</u> ⁽⁴⁾	~~\$125,000~~ <u>0 - \$155,000</u> <u>1,000</u>	~~As incurred~~ <u>Lump sum</u>	As incurred	~~AFCP, Designated Vendor (4)~~ <u>Third parties</u> <u>Us</u>
~~Construction~~ <u>Medical Equipment & Supplies</u> ⁽⁵⁾	~~\$627,274~~ <u>110,000</u> <u>0 - \$175,000</u> <u>\$829-351</u>	As incurred, <u>via cash or credit</u>	~~When ordered~~ <u>As incurred</u>	<u>Our Affiliates and Third-Party Suppliers</u>
<u>Construction Management Services Fee</u> ⁽⁶⁾	<u>\$50,000</u>	<u>ACH or Wire Transfer</u>	<u>On execution of Franchise Agreement</u>	<u>Us</u>
~~Furniture~~ <u>Construction</u> ⁽⁷⁾	~~\$10,000~~ <u>425,500-\$15,000</u> <u>478,000</u>	As incurred	When ordered	<u>Third-Party Suppliers</u>
~~Office Equipment & Computer System~~ <u>Furniture, Fixtures, and Appliances</u> ⁽⁸⁾	~~\$12,000~~ <u>10,000</u> - \$17,000	As incurred	When ordered	<u>Third-Party Suppliers</u>
~~Initial Medical Supplies~~ <u>Office Equipment & Computer System</u> ⁽⁹⁾	~~\$15,000~~ <u>12,000</u> - ~~\$20,000~~ <u>40,000</u>	As incurred	When ordered	~~Designated Vendor (9)~~ <u>Third-Party Suppliers</u>
~~Initial Advertising and Opening~~ ⁽¹⁰⁾ <u>Spend Requirement</u>	\$35,000 - \$50,000	As incurred	As incurred	~~Third parties~~ <u>Third-Party Suppliers</u>

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Business License & Permits ⁽⁴¹¹⁰⁾	\$500 - \$2,500	As incurred	As incurred	Third Parties
Signage ⁽⁴²⁾	\$8,000 - \$30,000	As incurred	As incurred	Third-Party Suppliers
Legal/ Professional Fees ⁽⁴³¹¹⁾	~~\$5,000~~ 15,000 - ~~\$10,000~~ 25,000	As incurred	As incurred	Attorney-/ AccountantThird Parties
Insurance ~~—GL and Malpractice~~ ⁽⁴⁴¹²⁾	~~\$13,000~~ 14,500 - ~~\$17,000~~ 21,000	As incurred	Before opening	Insurance agent or carrierThird Parties
Recruitment ⁽⁴⁵¹³⁾	\$3,000 - \$50,000	As incurred	As incurred	Third Parties
Credentialing ⁽⁴⁶¹⁴⁾	\$4,500 - \$7,000	As incurred	As incurred	SuppliersThird-Parties
Additional Funds (3 months) ⁽⁴⁷¹⁵⁾	~~\$300,000~~ 200,000 - \$500,000	As incurred	As incurred	Employees; and Third-Party Suppliers; utilities
Total ⁽⁴⁸¹⁶⁾	\$1,227,774955,500 - \$1,778,851-1,519,500			

Notes to Table (including development of a new Center)A:

*The first table in this Item 7 represents the initial investment for a single Franchised Business in which the franchisee develops a new Center. Please review the table with the following notes:

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

- (1) Initial Franchise Fee. The ~~i~~Initial ~~f~~Franchise ~~f~~Fee is \$60,000 and is paid when you sign the Franchise Agreement for the development of one new Center. The Initial Franchised Business. We do not finance any fee. Fee will be reduced as follows: (i) \$50,000 for the 1st Additional Franchise and \$45,000 for each subsequent Additional Franchise you acquire pursuant to an Area Development Agreement, and (ii) \$45,000 per Center if you enter into 2 Franchise Agreements with Conversion Addenda, concurrently, to convert 2 of your businesses into Conversion Centers.
- (2) Travel/ and Living Expenses While Training. You will ~~pay all travel and living expenses which be responsible for all costs that~~ you (or your Operating Principal) and all of your ~~employees incur, and your employees' wages and workers' compensation insurance while training trainees incur while attending the training, including all travel, food, and lodging cost, wages, insurance costs, etc.~~ These costs will depend on the distance you must travel and the type of accommodations you choose. The initial training program is held at our offices in Birmingham, Alabama, or at a training facility we designate. The low estimate assumes that you live within driving distance of our headquarters or the designated training facility; ~~the high estimate assumes that you will incur costs for lodging, food, and travel for 3 days training.~~

- (3) Lease; Utility and Security Deposits. We expect that you will need approximately ~~2,750 to 3,500~~1,750 to 2,000 square feet for ~~the~~your Center. Rent varies considerably from market to market, and from location to location. Rents may vary beyond the range that we have provided based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the leasehold, the terms of the lease, the location within a site (such as an endcap), and the desirability of the location. ~~If you cannot negotiate a rent abatement for the pre-opening period, your costs will be higher.~~ You should investigate the typical leasing costs for your target market area. If you decide to buy the property where you will operate your ~~Franchised Business~~Center, your costs will be substantially higher and cannot be estimated.
- (4) Lease Review Fee. If the landlord of your Center requires changes to our standard lease addendum, then you must pay us a lease review fee of \$1,000 to offset the expenses we incur to conduct the review (see Item 5).
- (5) ~~(4)~~ Medical Equipment & Supplies. You will need to purchase or lease medical equipment ~~such as and supplies such as~~ stethoscopes, blood pressure cuffs, thermometers, pulse oximeters, otoscope, ophthalmoscope, X-ray machines, exam tables, medical tape, band aids, gauze pads, etc. for ~~the~~your Center ~~you will manage. The amounts listed are. This range includes \$80,000 to \$145,000 to purchase this equipment. You must purchase the initial and on-going medical equipment for a new Center that you manage and supplies from our affiliates, AFCP, and from a required vendor that we designate, currently, McKesson. (see Item 5). The above range reflects the cost of purchasing the medical equipment and supplies.~~ You may decide to lease some of the medical equipment rather than purchasing it with an upfront payment. A variety of factors such as the condition of the national and regional economy, availability of credit, number of suppliers leasing equipment in your area, interest rates being offered, duration of leases offered, security requirements, and your credit history may affect the availability of leased equipment; the monthly and overall costs of the leases and other terms may be relevant to your decision as to whether to purchase or lease the equipment.
- (6) Construction Management Services Fee. Payable for services we provide in connection with overseeing and managing the development and construction of your first two Centers (see Item 5).
- (7) ~~(5)~~ Construction. You must develop ~~the~~your Center in compliance with law and our standards and specifications for architectural design, layout, furnishings, fixtures, equipment, and decor as outlined in the Manual. ~~You will need to negotiate with your landlord the build-out of the location to meet the system design standards and specifications for the Center and your Franchised Business or otherwise conveyed to you.~~ The design, construction management, build out and related costs ~~may vary based~~depend on a number of factors, including the size and condition of the ~~P~~premises, but will typically include. Our estimate (i) assumes that the premises for your Center will have a “vanilla box” layout ~~with our specifications,~~ including all walls, fixtures, flooring, HVAC and utilities, plumbing for bathrooms and exam rooms, certain equipment and an office area. ~~Our estimates are for a facility with approximately 6 to 8 exam rooms and 2,750 to 3,500 square feet, reflecting the conditions described above, and, and (ii) is for a Center that ranges from 1,750 - 2,000 square feet in size and will have 4 to 5 exam rooms. This estimate includes the use of a general contractor. The basis for the cost of comprehensive design, construction management and build-out construction costs is approximately \$210 per square foot. This is based on our experience and management team. Your experience may vary.~~

~~(6) Site Selection. You will work with a real estate site selection vendor that we designate to assist you in selecting your site. The vendor, using demographic and real estate analysis and site criteria, will provide you with several options for your site.~~

~~(8) (7) Furniture, Fixtures, and Appliances. You will need to purchase furniture ~~for the Premises at your location, fixtures, and appliances that~~ meeting our standards and specifications. ~~Furniture, however, does not include office furnishings or appliances for the Center.~~~~

~~(9) (8) Office Equipment (including & Computer System). You will need to purchase office equipment and computer system for the operation of your ~~Franchised Business~~. ~~The amounts listed are an estimate of the cost for office equipment and computer systems for the Center.~~ ~~The Center. This~~ estimate also includes a one-time fee of ~~\$6,960~~ for implementation, training, hardware configuration and server configuration for the electronic medical/patient record (“EMR”) services program that you must obtain from our designated vendor, ~~currently, Experity~~.~~

~~(9) Initial Medical Supplies. These estimates reflect the costs of various medical supplies you will need to supply to the Center for its initial phase of operation. You must purchase your initial and on-going medical supplies for a new Center you manage from our affiliate, AFCP, and from our designated vendor, currently, McKesson.~~

~~(10) Initial Advertising / Grand Opening. You must implement our Grand Opening program prior to and in connection with the opening of the Center you manage. This program consists of advertising, direct mail, promotional items, and media management. You must spend a minimum of \$35,000 on your Grand Opening. The amount shown is the budget we have designed in order to implement this program. The higher range of this estimated cost is to include a media program with the public relations firm that we have approved for use to optimize the Grand Opening process. While this \$10,000 to \$15,000 expenditure for a media program is optional, we highly recommend that you retain these third-party services to support your Grand Opening. If you do so, the monies will be paid to the third parties who provide the media program services.~~

~~(10) (11) Business Licenses. You will be required to obtain a business license or permit before you can open ~~the Franchised Business~~ your Center. You will be responsible for ensuring that the PC has, and certifies to you that it has received, all required state and local government certifications, permits and licenses necessary for the operation of a Center, including any required licenses and certifications for its personnel. The estimates in the chart do not include the costs ~~of that~~ the PC may incur to obtain ~~its~~ the necessary licenses and certifications.~~

~~(12) Signage. The amounts listed are for the purchase of the necessary signage for the Center as outlined in the Building Signage Standard Specifications.~~

~~(11) (13) Legal/Professional Fees. We believe that it is important for you to consult with your own accountant, attorney, risk management and/or business advisor before making any decision to enter into a Franchise Agreement with us. You should also use an attorney or other business advisor to review any lease, Business Support Services Agreement, or other agreements that you enter into in connection with your ~~Franchised Business~~. ~~We also recommend that you seek the assistance of professional advisors before signing a Franchise Agreement with us to evaluate any applicable legal obligations regarding the establishment, operation and/or management of a business providing urgent care and related medical services, and their possible effects on your costs.~~ Center.~~

~~(12) (14) Insurance — GL and Malpractice. This is an estimate of your initial insurance premiums for required property, malpractice, and professional comprehensive general liability insurance ~~for the PC~~. ~~Your premiums will be paid monthly or annually depending on the insurance~~~~

provider coverage, including property damage at your Center, malpractice liability coverage, and business interruption coverage to cover expenses for a period of at least 365 days. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which your Center is operated. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier and other factors. We have an approved vendor who can help you secure this insurance in any state in the US. ~~We have set minimum insurance requirements for all of our Franchised Businesses.~~

(13) ~~(15)~~ Recruitment. This is an estimate for recruitment ~~of the physicians and healthcare cost that you may incur in connection with hiring the necessary~~ staff for ~~the your~~ Center ~~you will manage~~. The high end of the costs shown includes an estimate for those franchisees that need or choose to retain a recruiter to find their ~~lead physician~~ required staff.

(14) ~~(16)~~ Credentialing. You will be required to use the vendor(s) that we designate or approve for credentialing services of your Center. The permitting requirements in certain states ~~(at this time, we are aware of Arizona and Florida)~~ do not permit credentialing to occur before opening and require that the Center begin operations before the credentialing process may begin. This type of restriction may substantially affect a business, including causing delays in the credentialing and contracting process, which may negatively affect ~~the your~~ Center's ability to obtain reimbursements (or lead to a lower reimbursement rate), and negotiate contracts and generate revenues until the credentialing is completed ~~following the Center's opening. We recommend that you seek the assistance of professional advisors before signing a Franchise Agreement with us to evaluate credentialing requirements, as well as other applicable legal obligations regarding the establishment, operation and/or management of a Center.~~

(15) ~~(17)~~ Additional Funds. This is an estimate ~~only~~ for the additional operating capital funds needed to cover ~~expenses in other~~ operating expenses of your ~~Franchised Business Center~~ during the first 3 months after you open. ~~We cannot guarantee that you will not have additional expenses starting the Franchised Business, net of operating revenue estimated to be generated by the operation of your Center during that period.~~ The estimate includes items such medical billing services (i.e., billing and collecting payments for services provided at the Center, EMR services, ~~initial payroll including 1 person for marketing activities and the costs that the PC will incur for payroll for medical personnel adequate to meet the Center's anticipated initial volume of business—provided that staffing levels may need to be adjusted depending on the actual volume of business)~~ payroll and payroll taxes (including payroll to cover the pre-opening training period for some of your ~~Franchised Business Center~~ staff), ~~continuing service and r~~ Royalty fees, Marketing ~~Fund contributions, professional fees~~ Fee, additional advertising, rent, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax and license fees, deposits and prepaid expenses (if applicable) and other miscellaneous items.

~~The expenses you incur during the start-up period will depend on factors such as local economic and market conditions, whether your Franchised Business is located in a new market or a mature market, your experience and business acumen, competition, and other factors.~~

(16) ~~(18)~~ Total. In compiling these estimates, we have relied on the experience and data collected from us, ~~the experience of our current leadership team, and the experience of the System franchisees during 2023.~~ Your costs will depend on a number of factors including local economic and market conditions. The estimates above reflect a franchisee purchasing the medical equipment (rather than leasing it) and paying upfront the build-out costs (rather than financing these costs through the premises lease or otherwise). If you decide to and are able to make arrangements to lease the medical equipment and/or finance the build-out of the Center that you will manage, then the costs

that you must pay through your first 3 months may be lower. our franchisees, vendors, and other sources. The estimated initial investment shown above to open a new Center does not include any finance charges, interest, or debt service obligations. We do not finance any part of these costs. If your Center is a Conversion Center, we anticipate that your estimated initial investment will be lower than the range described above, as you may not need to incur all of the expenses listed above, or they may not be at the same levels described.

Unless otherwise noted above, none of the above fees are refundable to you.

B. Conversion Area Development Agreement (Additional Franchises)**

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
~~Initial Franchise Fee~~ ⁽¹⁾ <u>Development</u>	~~\$45,000~~ <u>47,500</u>	Lump ~~s~~ <u>Sum</u>	~~At~~ <u>Upon s</u> ~~Signing of your Franchise Area Development Agreement~~	Us
~~Travel and Living Expenses While Training~~ ⁽²⁾ <u>Total</u>	~~\$1,500 - \$3,000~~ <u>47,500</u>	As incurred per participant	During training	Airlines, hotels and restaurants
~~Medical Equipment~~ ⁽³⁾	~~\$0 - \$155,000~~	As incurred	As incurred	AFCP, Designated Vendor (3) or Third parties
~~Total Construction~~ ⁽⁴⁾ <u>Detail Breakdown:</u> ~~Construction Mgmt. Build Out~~	~~\$25,000 - \$75,000~~ ~~\$5,000 - \$10,000~~ ~~\$20,000 - \$65,000~~	As incurred	When ordered	Suppliers
~~Furniture & Fixtures and Equipment (Computer System)~~ ⁽⁵⁾	~~\$7,000 - \$50,000~~	As incurred	When ordered	Suppliers
~~Initial Medical Supplies~~ ⁽⁶⁾	~~\$0 - \$20,000~~	As incurred	When ordered	AFCP, Designated Vendor (6) or Suppliers
~~Initial Advertising and Grand Opening~~ ⁽⁷⁾	~~\$35,000 - 50,000~~	As incurred	As incurred	Third parties
~~Signage~~ ⁽⁸⁾	~~\$5,000 - \$30,000~~	As incurred	As incurred	Suppliers
~~Legal/ Professional Fees~~ ⁽⁹⁾	~~\$1,000 - \$2,500~~	As incurred	As incurred	Attorney/ Accountant
~~Additional Funds (3 months)~~ ⁽¹⁰⁾	~~\$25,000 - \$50,000~~	As incurred	As incurred	Employees, suppliers, utilities
~~Total~~ ⁽¹¹⁾	~~\$144,500 - \$480,500~~			

Notes to Table for Conversion Franchise B:

~~**The second table in this Item 7 represents the initial investment for a single Franchised Business in which you convert an existing urgent care center into a Center that you will manage. We anticipate that the initial investment costs for a Conversion Franchisee will differ significantly from those of start-up franchisees, either because a Conversion Franchisee will not incur certain new costs, or some costs may be significantly lower. The table estimates the new and incremental costs that a Conversion Franchisee would incur by converting to a Franchised Business and converting the existing center to a Center. Please review the table with the following notes:~~

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

~~(1) Initial Franchise Fee. The initial franchise fee is \$45,000 if you are a Conversion Franchisee and is paid when you sign the Franchise Agreement. We do not finance any fee.~~

~~(2) Travel/Training. You will pay for all travel and living expenses which you (or your Operating Principal) and all of your employees incur, and your employees' wages and workers' compensation insurance while training. The costs will depend on the distance you must travel and the type of accommodations you choose. The initial training program is held at our office in Birmingham, Alabama or at a training facility we designate. The low estimate assumes that you live within driving distance of our headquarters or the designated training facility; the high estimate assumes that you will incur costs for lodging, food and travel for 3 days' training. Depending on a variety of factors, including your current operating schedule and staffing, you may need to close your existing center for a limited period of time to attend the training program.~~

~~(3) Medical Equipment. This conversion estimate is based on an existing urgent care center that is already equipped with an x-ray machine and all other standard equipment. This range represents the need for the existing center to add occupational health equipment, lab equipment if they do not already have it, or need to make changes to it. You must purchase any initial and on-going medical equipment that you need for the Center you manage from our affiliate, AFCP, and our designated vendor, currently, McKesson.~~

~~(4) Build Out. Since this is a conversion of an existing urgent care center, our standard build-out process may not be required; however, Conversion Franchisees may need to make some changes in their Center. This estimate is for changes to the waiting area and registration to conform to a standard Center. There might be a need for paint and/or flooring and these costs are included in this range. These figures assume that the existing urgent care center has exam rooms and x-ray equipment sufficient to comply with our standards and specifications for Centers.~~

~~(5) Furniture, Fixtures and Equipment (including Computer System). You may need to purchase furniture and fixtures for the Premises. The amounts listed are an estimate of the cost to furnish and provide computer systems for the Center you manage in addition to your existing furniture and equipment. The estimate also includes a fee of \$6,960 for implementation, training, hardware configuration and server configuration for the electronic medical/patient record ("EMR") services program that you must obtain from our approved vendor, currently, Experity, that we have designated for these services.~~

- ~~(6) Initial Medical Supplies. The estimates for this line item reflect the costs of various medical supplies you will need to supply the Center you manage for its initial phase of operation. This range is for the purchase of supplies to support the lab and occupational health programs if they do not exist at the time of conversion. You must purchase any initial and on-going medical supplies that you need for the Center you manage from our affiliate, AFCP, and our designated vendor, currently, McKesson.~~
- ~~(7) Initial Advertising / Grand Opening. You will need to implement our Grand Opening program in connection with the opening of the Center you manage. This program consists of advertising, direct mail, promotional items, and media management. You will need to spend a minimum of \$35,000 on your Grand Opening. The amount shown is the budget we have designed in order to implement this program. The higher range of this estimated cost is to include a media program with the public relations firm that we have approved for use to optimize the Grand Opening process. While this \$10,000 – \$15,000 fee for a media program is optional, we highly recommend that you retain these third-party services to support your Grand Opening. If you do so, the monies will be paid to the third parties who provide the media program services.~~
- ~~(8) Signage. The amounts listed are for the purchase of the necessary signage for the Center as outlined in the Building Signage Standard Specifications.~~
- ~~(9) Legal/Professional Fees. We believe that it is important for you to consult with your own accountant, attorney, risk management and/or business advisor before making any decision to enter into a Franchise Agreement with us. You should also use an attorney or other business advisor to review any lease or other agreements that you enter into in connection with your Franchised Business. We also recommend that you seek the assistance of professional advisors before signing a Franchise Agreement with us to evaluate any applicable legal obligations regarding the establishment, operation and/or management of a business providing urgent care and related medical services, and their possible effects on your costs.~~
- ~~(10) Additional Funds. This is an estimate only for the new and additional operating capital needed to operate your Franchised Business during the first 3 months after you open (“new and additional” refers to cover those costs that a Conversion Franchisee will incur because of the conversion and that it would not have incurred if it had continued operating its existing urgent care business in its present form). We cannot guarantee that you will not have additional expenses starting the Franchised Business. This estimate includes items such as medical billing services (i.e., billing and collecting payments for services provided at the Center, EMR services), initial payroll for a Marketing Representative and related payroll taxes, continuing service and royalty fees, Marketing Fund contributions, professional fees, additional advertising, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax and license fees, depreciation/amortization, deposits and prepaid expenses (if applicable) and other miscellaneous items. As noted above, since this is a conversion of an existing urgent care center, this range reflects only the new and additional costs a Conversion Franchisee may incur and takes into consideration that there is an on-going business that has been operating, generating revenue and incurring many expenses applicable to an urgent care center.~~
- ~~(11) Total. In compiling these estimates, we have relied on the experience and data collected from our Parent and its experience in operating their urgent care businesses and the experience of the System franchisees during 2023. Your costs will depend on a number of factors including local economic and market conditions. The estimates above reflect that a franchisee already possesses a facility built-out and operating as an urgent care center, already possessing medical equipment and assumes that you will only have to acquire certain additional items for the conversion and~~

undertake limited “build-out” to modify the existing center to our standards. The estimates above reflect a conversion franchisee purchasing the additional medical equipment (rather than leasing it) and paying up-front the conversion build-out costs (rather than financing these costs through the premises lease or otherwise). If you decide to and are able to make arrangements to lease the medical equipment and/or finance the build-out of the Center that you will manage, then the costs that you must pay through your first 3 months may be lower.

Unless otherwise noted above, none of the above fees are refundable to you.

If you sign an Area Development Agreement, you must pay us a non-refundable development fee which is described in Item 5. You will also need funds for working capital to pursue your development obligations. We are unable to estimate the extent of your working capital needs, which will depend in large part on the number of franchises you develop. There is no other initial investment required upon execution of an Area Development Agreement. However, an initial investment will be required for each franchise that you open. Our current estimate of this investment is described above. In addition to the amount in the above tables which are per franchise estimated initial investments, you must add an additional \$10,000 non-refundable deposit per franchise to be developed under the ADA.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

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

- ~~— the Franchised Business will provide all of the management services to the Center that we specify;~~
- ~~— the Center, through the PC, will provide various levels of patient care services provided by a physician or other professionally licensed persons which include minor injuries, infections, workers’ compensation injuries, sports physicals, travel medicine, colds and flu, and other services and products that we specify from time to time;~~
- ~~— the Franchised Business will offer and sell approved services and products only in the manner we have prescribed, and you will ensure that the PC operating the Center offers and sells only those services and products that we have approved and in compliance with the Management Agreement;~~
- ~~— you will not offer for sale or sell at or from the Franchised Business or any other location, any services or products we have not approved;~~
- ~~— you will discontinue selling and offering for sale any services or products that we at any time decide to disapprove in writing, and you will be responsible for ensuring that the PC operating the Center discontinues selling and offering for sale any services or products that we disapprove. Without limiting the previous requirement, you must not provide any medical~~

~~care or medical services, as determined by us and applicable local, state, and federal laws and regulations, without our prior approval.~~

Operating Assets; Approval of Products and Suppliers

We have developed ~~or may develop standards and specifications for types, and may update~~ System Standards that among other things govern the models and brands of ~~required operating assets (all~~ required fixtures, furniture, Computer System and other equipment (including ~~a required or recommended computer, facsimile, and~~ medical and diagnostic equipment, fax machines, point-of-sale ~~information~~ system and other technology systems), furnishings, ~~and signs are referred to as the, and certain other~~ goods and services (collectively, “Operating Assets”), ~~and other products.~~ We will furnish these System sStandards to you in our manual (the “Manual”) or otherwise in writing. ~~Our criterion for approving suppliers, however, is fluid (but which is, generally, the ability to satisfy our quality standards and controls) and is not provided to franchisees. We have the right to inspect a prospective supplier’s facilities and submit proposed products for testing and evaluation. You must reimburse us the reasonable costs of any such inspection and our actual costs of any test performed. We reserve the right to approve; however, we will not issue to you or to any approved suppliers (except as we deem necessary) the specifications for suppliers of the~~ proprietary Operating Assets ~~that meet our reasonable standards and requirements. If we do so, you must purchase only products meeting those specifications, and if we require it, only from suppliers we have approved, including ourselves or our affiliates. We will notify you of approval or disapproval of suppliers, specifications, or products within 90 days of your written request, if any.~~

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

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

~~for approval. At this time, we do not limit the suppliers from whom you may purchase approved products or services, other than the requirement that you use the suppliers with whom we have negotiated purchase arrangements for the purchase of~~ We have other Approved Suppliers for the following products and services: certain medical equipment and supplies (including vaccinations), billing and claim management, center prototype and construction management, malpractice insurance, online patient feedback, certain computer software, occupational health training and certification services, credentialing services, electronic medical/patient (EMR) record services, patient registration and engagement platforms, pharmacy dispensary point-of-sale services (if a pharmacy is permitted in your state), and a weight-loss program and products.

Approved Products and Suppliers

~~We may designate a single supplier for any product, service, equipment, supply or material and may approve a supplier only as to products that we specify. The designated supplier may be us, our Parent, or an affiliate of ours. Currently, we are not an approved supplier. Our Parent, is an approved supplier for a number of items and services used in the operation of the Franchised Businesses. At this time, the items and services for which our Parent is an approved supplier include: construction oversight services, supplies and equipment (including vaccinations), laboratory consulting, credentialing, new clinic set-up, and a weight-loss program and products. Our affiliate AHR, is an approved vendor of personnel recruiting and other services; and our affiliate, AFCP, is an approved supplier of medical supplies, equipment, and other products. Currently, all franchisees are required to purchase at least 75% of their medical equipment and medical supplies from a required vendor that we designate, currently McKesson, and the balance from our affiliate, AFCP. You can purchase other supplies, furniture, and equipment from any source. Other than Parent, AHR and AFCP, we do not currently have any other affiliates that provide products or services to our franchisees.~~

~~We will have the right to collect and retain all manufacturing~~and our affiliates may receive allowances, marketing allowances, rebates, credits, monies, payments ~~or~~, benefits and other consideration (collectively, "Allowances") ~~offered by~~from third-party suppliers ~~to us or our affiliates~~ based upon your purchases of products and other goods and services. ~~These Allowances may be based on System-wide purchases of products and services. You assign to us or our designee all of your right, title and interest in and to any and all such Allowances and authorize us or our designee to collect and retain any or all such,~~and we may freely use such Allowances without restriction (unless otherwise instructed by the supplier). Currently, we and/or AFCLLC receive the following Allowances: (i) 5% to 40% of revenue received by our Designated Suppliers for medical equipment and supplies based on the volume of franchisee purchases; and (ii) rebate of \$250 per order from our signage vendor.

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

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

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

~~We may negotiate purchase arrangements (including price terms) with some suppliers of approved products. In doing so, we seek to promote the overall interests of our franchise system and our interests as the Franchisor. As of the date of this disclosure document, we have, negotiated discounts and purchase arrangements which include the following: 1 supplier for site selection services; 2 suppliers for architectural and engineering services; 1 supplier for build-out services; 1 supplier for interior artwork and signage; 3 suppliers of equipment leasing; 3 suppliers for billing and claims management; 2 suppliers~~

for medical equipment and supplies; 4 suppliers for vaccines; 1 supplier for signage; 2 suppliers for point-of-sale pharmacy services; 1 supplier for select computer software; 1 supplier for occupational health training and certification services; 1 supplier for PR/Marketing; 1 supplier for branded apparel, uniforms, and promotional products; 4 suppliers for collections services; 1 supplier for credit card processing; 3 suppliers for direct mail marketing; 1 supplier for DOT Medical Examiner Certification; 1 supplier for website hosting and services; 1 supplier for inventory management and ordering; 1 supplier for patient records request management; 1 supplier for laundry service; 1 supplier for medical malpractice insurance; 1 supplier for online patient feedback; 2 suppliers for medical waste removal; numerous suppliers for medical staff recruitment services; and 2 suppliers for payroll and human resource services. We may continue with those arrangements, or we may seek to negotiate different terms or establish new arrangements. We have also approved suppliers for a number of additional items and services. These include insurance verification, translation services, site selection, radiology over-reading, office supplies and laboratory testing.

We may require that you use the suppliers with whom we have purchasing arrangements in effect. In consideration for our negotiating and maintaining these arrangements, these suppliers may provide Allowances to us or our affiliates, based on the purchases of all Franchised Businesses and Centers. We expect that any Allowances will be determined and paid on an annual basis as a percentage of the total purchases made by all Franchised Businesses and Centers during the year. We or our Affiliate received rebates totaling \$23,719 from Taylor Communications, \$187,806 from Pro Vista, \$8,250 from Entera and \$43,416 from Hermitage Lighting in 2023. Otherwise, neither we, nor our Parent, nor any affiliate received any Allowances in 2023. The range or precise level of any Allowances that we receive in the future may vary based on a variety of factors, including the volume of purchases by Franchised Businesses and Centers. If we receive any Allowances, we may pay all or a portion to franchisees based on their purchases or pay all or a portion to the Marketing Fund or may retain all or a portion as consideration for our services, negotiations, and central ordering services. Our total net revenues in fiscal year ended 12/31/2023, were \$2,087,509. We had no revenues from required franchise purchases. Our affiliate AFCP sells medical equipment, supplies and other products to our franchisees generally at its cost, plus 10%. For fiscal year ended 12/31/2023, AFCP had revenues of \$6,185,957 with a gross profit of \$756,541. All of its revenues were sales of medical equipment and supplies to franchisees. In September 2023, the cost plus 10% piece of medical supplies was changed to a 7.5% rebate program with McKesson. McKesson program revenue for fiscal year 2023 was \$1,420,880.

Goods or Services Required to be Leased or Purchased

We have also established additional relationships with approved and required suppliers for medical credentialing and electronic medical/patient record services. You must use the suppliers that we have approved or required for these services. We currently have 1 required vendor for electronic medical/patient record services. We currently have 3 approved vendors for medical billing services. You must purchase professional liability insurance from our designated supplier. Other than as set forth above, neither we, nor any affiliate, owner, or officer of ours are approved suppliers, or own an interest in any of the suppliers that we require franchisees to use.

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

We estimate that your purchases or leases from approved and required suppliers in accordance with our specifications will represent approximately 75% – 95% of your total purchases in the establishment of the Franchised Business, and 75% – 95% of your total purchases in your continuing operation of the Franchised Business.

Computer System

~~You must obtain and use the computer hardware and/or operating software and/or communications capabilities we specify (the “Computer System”). We may modify specifications for and components of the Computer System.~~

Contractors, Site Selection, and Center Development and Build-Out

~~We have one approved vendor who will, for a fee, provide site selection and lease negotiation assistance. You are required to use our approved vendor. We have approved certain contractors, vendors and suppliers for the development and build-out of the Center you will manage. You must hire these contractors and suppliers, who will assist you in completing the development and build-out of the Center, unless you obtain our prior approval to use alternative vendors. The assistance provided by the contractors and suppliers includes working with you to obtain site plans and modifications to our basic architectural plans and specifications for the Center, and arranging for installation and delivery of the equipment, fixtures, furniture and signs meeting our specifications which you must purchase or lease.~~

Advertising

~~We will work with you to develop an advertising and marketing plan (the “Plan”) for you, the Center you manage, and your Territory. You must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. Your local advertising and promotion must follow our guidelines which may include, among other things, requirements for or restrictions regarding the use of the Marks and notices of our Website’s domain name in the manner we designate. We may specify third parties that you must use for the design and development of your local advertising. However, you will be required to pay those third parties directly without any offset to your local expenditures’ requirement.~~

~~For all proposed advertising, marketing, and promotional plans, you must submit samples of plans and materials to us for our review and prior written approval (except concerning prices that you may charge). If you do not receive written approval from us within 10 days of the date of receipt of the samples or materials by us, then the samples or materials will be deemed disapproved.~~

Insurance

You must maintain in force at your sole expense comprehensive ~~public liability coverage~~, general liability insurance, ~~personal injury~~ coverage and ~~motor vehicle~~ malpractice liability insurance ~~against claims for bodily and personal injury, and death and property damage caused by or occurring~~ coverage in connection with the ~~Franchised Business's~~ Center's operation, all containing the minimum liability coverage we prescribe from time to time. The current requirements for insurance policies and coverage ~~include~~ is as follows: (1) comprehensive general liability insurance coverage, including property damage at your Center with limits of at least \$1 million per occurrence and \$3 million aggregate; (2) ~~workers' compensation and employer's liability insurance as well as other insurance that may be required by statute or rule of the state in which the Franchised Business is located and operated~~; (3) ~~personal injury coverage with limits of at least \$1 million per occurrence and \$3 million aggregate~~; (4) ~~property damage~~ malpractice liability coverage with limits of at least \$1 million per occurrence and \$3 million aggregate; and (5) ~~automobile liability insurance, and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least \$1 million general aggregate limit~~. 3) business interruption coverage to cover expenses for a period of at least 365 days. You also must maintain workers' compensation insurance for your employees in accordance with laws applicable in the state in which your Center is operated.

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

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

These insurance policies must name us as an additional named insured and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You must routinely furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and payment of premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain comparable insurance ~~for you and the Franchised Business~~ on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

Payroll and Payroll Tax Providers

~~You are required by federal and state laws to comply with all employment laws, and employee payroll and employment tax requirements that apply to your business and to pay employment taxes on behalf of your employees. You may also offer various employee benefits (but we do not require that you do), such as health, dental and/or vision insurance, a 401(k) plan, or other benefits. We have approved third-party payroll, tax and employee services providers who, for a fee, will provide consistent reporting of payroll and employee information, along with providing benefits, administrative and other human resource functions, and will assist you in your payroll and payroll tax obligations. Currently, you are not required to use our approved vendors. You may select your own payroll service, use an accountant or, based on your accounting and tax experience, you may choose to do it yourself.~~

~~* * *~~

~~We may operate and change the System in any manner that is not expressly or specifically prohibited by the Franchise Agreement. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, as we consider to be best, to vary System Standards for any franchisee or any Franchised Business based upon the peculiarities of any condition that we consider important to that franchisee or Franchised Business's operation. Periodically, we may modify System Standards, and to the extent the changes to the System Standards will apply generally to franchisees and offices operating under the System, these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You must implement any changes in the System Standards within the time period we specify, whether they involve refurbishing or remodeling the Premises or any aspect of the Franchised Business, buying new Operating Assets, adding new services offered by the Franchised Business, or otherwise modifying the nature of your operations.~~

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ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Section 2.1 of the Franchise Agreement; Site Selection Addendum; Section I and IV of Area Development Agreement .	7, 8, 11 & 12
b. Pre-opening purchases/leases	Sections 2.2, 2.3 and 2.4 of the Franchise Agreement	5, 7, 8 & 11
c. Site development and other pre-opening requirements	Sections 2.2- ~~and~~ , 2.3, and 8 of the Franchise Agreement; Site Selection Addendum; Conversion Addendum; Section III of the Area Development Agreement	7, 8, 11 & 12
d. Initial and ongoing training	Sections ~~4.1 and 4.24~~ of the Franchise Agreement	~~6~~ ; 8 11 ~~& 15~~
e. Opening	Definitions , Sections 2.5 of Franchise Agreement; Conversion Addendum; Section III of the Area Development Agreement	11
f. Fees	Section 3, 9.2, 9.4 , 9.5, 12.3, 15.7 , and 17.3 of the Franchise Agreement; Conversion Addendum; Section II of the Area Development Agreement	~~5 &~~ , 6 & 7
g. Compliance with standards and policies/operating manual	Sections 3.6, 4.4, 5.2, ~~8~~ , and 9.7 of the Franchise Agreement; Conversion Addendum	8, 11 & 14
h. Trademarks and proprietary information	Sections 5, ~~6~~ , and 15.2 of the Franchise Agreement	13 & 14
i. Restrictions on products/services offered	Sections ~~8.2 and 8.38~~ of the Franchise Agreement	8 & 16
j. Warranty and customer service requirements	Section ~~8.48~~ of the Franchise Agreement	16
k. Territorial development and sales quotas	Not applicable in Franchise Agreement; Section III of Area Development Agreement	12
l. Ongoing product/service purchases	Section 2.3 and 8.3 of the Franchise Agreement	8
m. Maintenance, appearance and remodeling requirements	Sections 8.1; and 8.7 ~~and 20~~ of the Franchise Agreement; ~~Section 3.1 of Management Agreement~~	8 & 11

Obligation	Section in agreement	Disclosure document item
n. Insurance	Sections 2.5, 8.4, and 8.6 of the Franchise Agreement; ~~Section 3.2 and 7 of Management Agreement~~	6, 7 & 8
o. Advertising	Section ~~8.4.1, 8, and~~ 9 of the Franchise Agreement; ~~Section 3.2(b)(xii) of Management Agreement~~	<u>5</u> , 6, 7, 8 & 11
p. Indemnification	Section 5.5, 16.4, and 17.2 of the Franchise Agreement; ~~Section 8 and 9 of Management Agreement; Section IX~~ <u>VIII</u> of Area Development Agreement	6
q. Owner's participation/management/staffing	Section 8.5 of the Franchise Agreement	15
r. Records and reports	Sections 3.2 and 10 of the Franchise Agreement; ~~Section 3.2(b), 3.4, 11 and 16 of Management Agreement~~	6 & 11
s. Inspections and audits	Section 11 of the Franchise Agreement	6, 8 & 11
t. Transfer	Section 12 of the Franchise Agreement; Section VI of Area Development Agreement	6 & 17
u. Renewal	Section 13 of the Franchise Agreement	6 & 17
v. Post-termination obligations	Section 15 of the Franchise Agreement	17
w. Non-competition covenants	<u>Definitions</u> , Sections <u>1.4</u> , <u>7</u> , <u>12.3</u> , and 15.4 of the Franchise Agreement; ~~Section VII of Area Development Agreement~~	17
x. Dispute resolution	Section 17 of the Franchise Agreement; ~~Section 23 of Management Agreement~~ <u>Exhibit E to Franchise Agreement</u> ; Section ~~XIX~~ <u>XI</u> of Area Development <u>Agreement; and Exhibit B to Area Development</u> Agreement	17
y. Taxes/permits	Sections 2.2, 2.5, 3.7, 8.4, 14.3 and 16.3 of the Franchise Agreement	1
z. Other (personal guaranty)	Section 1.6(e) of the Franchise Agreement and Exhibit E; ~~Following signature page of~~ <u>Section XIII and Exhibit B of the</u> Area Development Agreement	15

ITEM 10 **FINANCING**

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

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

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

Our Pre-opening Obligations – Franchise Agreement

~~We are required by the Franchise Agreement to provide certain assistance and service to you.~~
Before you open your ~~Franchised Business~~Center, we will provide you the following assistance:

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

~~(12)~~ We will give you mandatory and suggested specifications and layouts for ~~your location at~~ the ~~Premises~~Center, including recommended office size and design and required or recommended fixtures, equipment, and signs. We will provide guidance to assist you in working with designated contractors and suppliers to complete the development and build out of ~~the~~your Center ~~you will manage~~. This includes ~~working with you to~~providing guidance on: obtaining site plans and modifications to our basic architectural plans and specifications for the Center; obtaining required zoning changes, building and sign permits; and arranging for installation and delivery of equipment, fixtures, furniture and signs meeting our specifications that you must buy or lease. (Franchise Agreement, Section 2.2)

~~(23)~~ We will provide you with an email address for the Center ~~and certain employees~~. (Franchise Agreement, Section 2.4). ~~You agree to communicate with us using the email address we provide. You may be required to pay a technology fee for this service.~~

~~(34)~~ We will provide an initial training program for you or your Operating Principal and your required attendees. (Franchise Agreement, Section 4.1)

~~(45)~~ We will provide you with an Opening Consultant for your ~~Franchised Business~~Center. (Franchise Agreement, Section 4.3):

~~(56)~~ We will, at our own cost, send one of our representatives to the ~~Franchised Business~~Center for a period of 3 days to assist with the preopening and opening of the ~~Franchised Business~~Center. This period may overlap with the opening and may extend into the first week of operations. (Franchise Agreement, Section 4.1)

~~(67)~~ We will loanprovide you ~~during the Initial Term 1 copy of~~access to our Manual, which may include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a ~~Franchised Business. These are our "System Standards."~~ The Manual also contains information on your other obligations under the Franchise Agreement. We may modify the Manual periodically to reflect changes in System Standards and other guidance and requirements regarding the operation and management of a ~~Franchised Business~~Center. (Franchise Agreement, Section 4.4)

~~(78)~~ We will work with you to develop an advertising and marketing plan for ~~you, your Franchised Business, and your Territory~~Center. (Franchise Agreement, Section 9.3)

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

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

Our Continuing Obligations – Franchise Agreement

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

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

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

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

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

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

~~(6) We may retain a third-party provider, or an Applications Service Provider (or ASP) to provide some or all of the service and support for your benefit or the benefit of Franchised Businesses and Centers, and we may pay a service or ASP hosting fee. (Franchise Agreement, Section 2.4)~~

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

Our Pre-Opening Obligations – Area Development Agreement.

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

Our Post-Opening Obligations – Area Development Agreement.

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

Time to Open

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

Time to Open

You must complete all preparations and open the ~~Franchised Business~~Center within the ~~latter~~earlier of (a) 90 days of securing the ~~approved P~~premises for the Center, or (b) 365 days of signing the Franchise Agreement. If you ~~fail to do not meet either deadline~~so, you will be in default, and we may terminate your Franchise Agreement. The typical length of time between signing the Franchise Agreement and commencing business is usually 6 to 12 months. Things that may affect the amount of time it takes you to commence your business are lease negotiations, securing financing, obtaining building permits, zoning and local ordinance compliance, weather conditions, shortages, delayed installations of equipment, fixtures, signs, and the time involved in securing required health care credentialing, and recruiting a physician.

Site Selection*

~~You must operate the Franchised Business from an accepted location. You must obtain our written acceptance of the Franchised Business's proposed location before signing any lease, sublease, or other document for the site. The Site Selection Addendum will specify a geographic area (the "Search Area"), which will generally be a Designated Market Area ("DMA"), in which you search for and identify a proposed location for your Franchised Business. The Search Area is established solely for the purpose of defining the area within which you may look for a possible site for the Center, and you will not receive any exclusive territorial rights for the Search Area. We may permit other franchisees to look for prospective sites within an area which is the same as or overlaps with your Search Area, and we may establish, or franchise others to establish, a Franchised Business or Center operating under the System within the Search Area. Once we accept a location to be the "Premises," we will determine the portion of the geographic area that will identify the "Territory" under the Franchise Agreement.~~

~~We have 1 approved vendor who will, for a fee, provide certain site selection and lease negotiation assistance. The use of our approved vendor also requires a brokerage agreement between the approved vendor and a local broker. While utilization of the approved vendor's sourced broker is preferred, we will permit you to suggest a different broker, so long as they are approved by our vendor and execute a then-current brokerage agreement.~~

~~You must use our approved vendor to assist you with your site selection. The approved vendor will be furnished with all necessary guidelines and criteria needed to perform Market Plans for your Territory. Market Plans will be evaluated through local brokers and used to determine retail sites for your Franchised Business. If we have completed any research on the market area that you are considering, we will provide you with it for information and background purposes only. You should verify all information provided. The approved vendor will compile a Site Acceptance Package for our review and acceptance, based on our criteria that may include demographic analysis of the proposed Territory and possible locations, competitive urgent care centers in the potential market or area, existing Centers and their proximity to the potential Territory, and other data.~~

~~If we recommend or give you (or our approved vendor) information regarding the Territory, or a site for the Premises, and if we accept a site, our advice, action, or information is not a representation or warranty of any kind of the site's suitability for a Franchised Business, Center or any other purpose. Our recommendation indicates only that we believe that the site meets our then-current criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site we recommend or accept fails to meet your expectations. Your acceptance of the franchise should be based on your own independent investigation of the Territory and the site.~~

~~*We do not provide site selection assistance for, and the Site Selection Addendum does not apply to, Conversion Franchisees. If you are a Conversion Franchisee, you must complete all conversion requirements and begin operating the Franchised Business within 6 months of signing the Franchise Agreement, unless we specify a longer period. If you do not meet this deadline, you will be in default, and we may terminate your Franchise Agreement.~~

~~You may operate the Franchised Business only from the Premises. The typical time from signing the Franchise Agreement and opening the Franchised Business (except for Conversion Franchisees) is approximately 6 to 12 months depending on your ability to obtain a lease, zoning and local ordinances, and other factors. We anticipate that for Conversion Franchisees, the typical time from signing the Franchise Agreement and beginning to operate the Franchised Business is approximately 3 to 4 months depending on a variety of factors, including ability to complete any upgrades and changes needed to convert the existing center to a Center, obtain signage, complete training, and other factors.~~

~~If you are an Area Developer, as you open each of your Franchised Businesses under your Area Development Agreement, our then-current site selection criterion will apply to each site for each Center. We must accept each of your locations of future sites and in any territories for the sites.~~

Training

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

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

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

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

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

All management personnel, including your Operating Principal and Center Administrator, and any other personnel that we designate, must meet minimum qualifications that we may specify before they can manage ~~the Franchised Business~~Center or train other personnel. ~~If, at any time during the term of the Franchise Agreement, we learn or determine that a person is regarded as no longer complying with our System Standards and procedures, then we may require that person to satisfactorily complete the training or re-training program. We reserve the right to charge for retraining personnel.~~

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

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

The following chart outlines our initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy of American Family Care	.5	<u>0</u>	Birmingham, AL
Outpatient Healthcare Industry Overview	.5	<u>0</u>	Birmingham, AL

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

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

~~All initial and continuing training is facilitated through our Training & Development Department and/or the franchise support team. Other members of our management team, as well as additional training staff and instructors, will provide training and assistance to you based on their qualifications in specific aspects of the System. Our training program will concentrate on the Manual and is designed to cover all aspects of the Franchised Business. Our instructors have generally between 1 and 10 years of experience in this industry that is relevant to the Franchised Business.~~

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

You (or your Operating Principal) and/or other previously trained and experienced Center Administrators, Marketing Representatives and employees must attend and satisfactorily complete various training courses that we provide at the times and locations that we designate, as well as conventions, regional meetings, and conferences that we specify. Currently, we require all franchisees (or their Operating Principal) to attend regional or annual conferences and meetings that we develop. We may charge reasonable registration or similar fees for these courses. ~~In 2023, the convention fee was \$500 for franchisees.~~ You must pay all travel and lodging costs to attend. To the extent we decide to offer, or require that you attend, any additional training courses or attend conventions or meetings in the future, we will develop and determine the cost, location, content, duration, and frequency of those programs at that time.

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

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

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

Marketing

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

The Marketing Fund

~~The image of the AMERICAN FAMILY CARE brand (“**Brand**”), the Marks, Franchised Businesses, and Centers held by the public in general, by patients, and by Center managers and employees, is important to the System and the Marks. We have established a Marketing Fund (the “**Marketing Fund**”) for the enhancement and protection of the Brand and Marks, and for the advertising, marketing, and public relations programs and materials.~~

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

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

~~You must~~We will contribute ~~to the Marketing Fund an amount~~fee that we collect from you (currently equal to 1% of your Net Payments, ~~payable in the same manner as the Royalty. We are not required to contribute~~) to the Marketing Fund ~~for Franchised Businesses and/or~~. The amount of marketing fee may change, on notice to you, but the required contribution, together with the local required advertising requirement described below, will be subject to an aggregate Marketing Expenditure Cap of five percent (5%) of your Center's Net Payments; provided, however, it is your responsibility to provide us with written notice if the Required Marketing for your Center exceeds the Marketing Expenditure Cap, and until we receive your Marketing Notice, you will be required to fully comply with the Required Marketing requirements, and no excess amounts will be refunded to you. If the Required Marketing exceeds the Marketing Expenditure Cap, you may, after we receive your Marketing Notice, reduce the Local Advertising Requirement, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. You must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded.

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

~~We have the right to collect for deposit into the Marketing Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Franchised Businesses and/or Centers and with whom we have agreed that we will so deposit these allowances. These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes.~~

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

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

The Marketing Fund will not be our asset. ~~Although the Marketing Fund is not a trust, we will hold all Marketing Fund contributions for the benefit of the System, the Brand, and the contributors, and use contributions only for the purposes described in Section 9.2 of the Franchise Agreement.~~ We do not owe any fiduciary obligation to you for administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. Any funds not spent as of the end of the fiscal year will remain in the Marketing Fund for use in the succeeding fiscal years and will not be refunded to franchisees.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses. The statement will be available for your review upon written request, 90 days after our fiscal year end. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. ~~The successor entity will have all of the rights and duties specified in Section 9.2 of the Franchise Agreement.~~

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

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

~~In 2023, a portion, but not all of the contributions to the Marketing Fund were spent. The contributions spent were for the following: 6% on public relations, 11% on Patient Engagement, 14% on salaries, 15% on Marketing Technology, 18% on digital and social advertising, 11% on creative development (including development of TV and radio ads, ongoing graphic design support, new website redesign work), 8% on marketing strategy and 11% on pay-per-click rebates. The remaining 6% was allocated between print and promotional items, brand research and franchise system awards.~~

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

Grand Opening

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

Local Advertising and Promotion

We will ~~work with~~guide you ~~through your Franchise Business Consultant to~~in the development ~~of an advertising and marketing plan (the “Plan”) for you, your Franchised Business, and your Territory.~~of an advertising and marketing plan (the “Plan”) for ~~You~~your Center. Once approved, you must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. We are not required to spend any amount on advertising within any specific area, including your territory. In addition to your Marketing Fund contribution obligations and the grand opening program described above, you must spend currently \$2,000 each month, beginning 3 months after your Center’s ~~G~~grand ~~O~~opening, to advertise and promote your ~~Franchised Business and the Center you manage~~Center, but we may change this amount on notice to you, not to exceed the Marketing Expenditure Cap. This includes such items as advertising, brochures, promotional items, printing, and copying services, but does not include the cost of labor for any employees. ~~In addition, we will average your advertising and promotion expenditures over a 6-month period to see if you did spend at least \$2,000 per month.~~ You must send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we may specify. If you fail to expend the required minimum amount, then any amounts that you should have expended to reach the \$2,000 per month requirement must be contributed to the Marketing Fund at such times as we specify.

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

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

Marketing Cooperatives

We have the right to establish a marketing cooperatives (each, a “Marketing Cooperative”) for the geographic region in which your ~~Franchised Business~~Center is located. The purpose of the Marketing Cooperative is to conduct marketing campaigns for the Centers and ~~Franchised Businesses~~ located in that region. ~~No mandatory~~We have not formed any Marketing Cooperatives ~~exist at this time, but we expect that we will establish Market Cooperatives on a regional or market basis that you must participate in, but we may do so~~ in the future. ~~Additionally, but~~ our franchisees in Massachusetts have formed a voluntary cooperative for their marketing efforts in their region. If and when we form a Marketing Cooperative the bylaws and other governing documents of the Marketing Cooperative will govern the terms its operations and your participation.

If a Market~~ing~~ Cooperative for your area was established before you began to operate your Franchised Business, then when you open your Franchised Business, you must immediately join that Market Cooperative. If a Market Cooperative for your area is established after you begin to operate your Franchised Business~~Center~~, then you must join the new Market~~ing~~ Cooperative within 30 days of the Market~~ing~~ Cooperative's beginning of operations. You will not be required to be a member of more than 1 Market~~ing~~ Cooperative. ~~The following provisions will apply to each Market Cooperative:~~

1. ~~Market Cooperatives will be established, organized, and governed in the form and manner that we have approved in advance. Unless we specify otherwise, the activities carried on by each Market Cooperative will be decided by a majority vote of its members. Any Centers or Franchised Businesses that we operate in the region or area in which a Market Cooperative has been established will have the same voting rights as those Franchised Businesses owned by franchisees. Each Franchised Business will be entitled to cast one vote. Any disputes arising among or between you, other members of the Market Cooperative, and/or the Market Cooperative, will be resolved according to the rules and procedures set forth in the Market Cooperative's governing documents.~~

2. ~~Market Cooperatives will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion.~~

3. ~~Market Cooperatives may not use marketing, promotional plans, or materials without our prior written approval.~~

4. ~~You must submit your required contribution to the Market Cooperative at the same time as payments are required for Royalties and the Marketing Fund Contribution, together with the statements and reports that may be required by us or by the Market Cooperative, with our written approval. If requested by us in writing, you must submit your payments and reports for the Market Cooperative directly to us and we will distribute the money and reports to the Market Cooperative. If we incur administrative expenses in support of the Market Cooperative, these expenses may be paid to us from the funds of the Market Cooperative or from a portion of the Marketing Contribution that would be allocated to the Market Cooperative. We anticipate that the Marketing Cooperative will set the specific amount of the member's Market Cooperative contribution, although we may provide our recommendations and guidelines, and will have the right to approve or disapprove a particular requirement or to specify minimum contribution levels. If you are required to contribute to a Market Cooperative, these contributions will be credited toward your required expenditures for local advertising and promotion.~~

5. ~~Although a Market Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Market Cooperative. A Market Cooperative will not be terminated, however, until all monies in that Market Cooperative have been expended for marketing or promotional purposes.~~

Websites

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

Computer Systems

Current System. The Computer System (as defined below) that we currently require is for use in connection with operational and management tasks of your ~~Franchised Business. It allows us to receive information concerning your Franchised Business's~~Center. Subject to compliance with applicable laws, including HIPAA, we have the right to independent and unrestricted access certain data stored on your Computer System to review your Center's sales, financial performance, and ~~provides you with consolidated sales along with periodic sales histories, and~~certain ~~ga~~others information ~~on sales by different categories, and may include data~~ relating to the Center (subject to HIPAA and any other applicable law).

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

Equipment	Description	Minimum
Staff Monitors	~~22" resolution 1920 x 1080~~	~~6 (this number may increase if you would like to have dual monitors for front office staff)~~
Desktop PC PCs	~~Dell OptiPlex latest version, minimum 8GB RAM, (Windows 10 Pro x64)~~	~~6~~
Manager Laptop/PC	~~Dell Latitude latest version, minimum 8GB RAM, (Windows 10 Pro x64)~~	~~2~~
Physician Laptop	~~Dell Latitude latest version~~	~~1~~
Physician Monitor	~~24" Flat screen monitor, resolution of at least 1920 x 1080~~	~~1~~
Surface Pros	~~Version 6 and higher (devices used by the back-office staff)~~	~~3~~
Wireless Mice	~~2.4 GHz slim cordless mouse Microsoft or Logitech (if using surface pros, it is~~	~~3~~

	~~recommended to use this brand)~~	
Surface Pro	~~Microsoft FMM-00001 Type Cover~~	3
Surface Pro Pens	~~Microsoft—Certified—4096—Pressure~~	3
Standard Printer	~~HP LaserJet M5101DN~~	2
Front Office Printer/Fax	~~HP LaserJet Pro m521dn~~	1
Manager Printer	~~HP Officejet Pro X477fdn All-In-One printer~~	1
Equipment	Description	Minimum
Label Printer	~~Dymo Label writer 550~~	1
Rx Printer	~~STATE SPECIFIC, discuss with FBC~~	1
Network Switch	~~Ubiquiti 48 Port 500w PoE Switch~~	1
Access Points	~~Unifi AC-PRO Access Point~~	2
Firewall/Wireless	~~Meraki MX68 Router/Security Appliance~~	1
Telephone	~~VOIP—Compatible—Phone,—4-line minimum,—internet—fax,—credit—card processing~~	6
Scanner	~~Fujitsu fi-7160~~	2
Surge Protectors	~~6-Outlet Surge Strip~~	6
Headphones	~~Koss ED1TC~~	1
HP Extension (optional)	~~Belkin F8V204-06 Headphone Extension Cable~~	1
Webcam	~~Logitech C160~~	1

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

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

We or our affiliates may retain a third-party provider, or an ~~Applications Service Provider (or ASP)~~ or a ~~Managed Services Provider (MSP)~~ to provide some or all of the computer and network

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

~~We do not currently have independent access, but we have the right to require that you provide us with independent access, to the information generated or stored in your Computer System. During any periods that we have independent access, we may access the Computer System as we deem appropriate (including on a continual basis), and retrieve all information concerning your Franchised Business's operation, subject to your and our compliance with HIPAA (the Health Insurance Portability and Accountability Act of 1996) and other applicable laws relating to confidentiality of patient records. There are no contractual limitations on our right to access your Computer System for information and data. (Section 10 of the Franchise Agreement)~~

Despite the fact that you must buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. We and our affiliates do not have any obligation to provide ongoing repairs, upgrades, or updates to your Computer System. You should be prepared to upgrade your ~~e~~Computer ~~hardware every 3 years due to improvements in the software, advances in technology, and memory requirements~~System as directed by us. There is no contractual limitation on the frequency and cost of this obligation. The cost to upgrade the hardware and maintain or upgrade the software depends on our future needs, as well as technological developments. We have no formal policy or requirement for upgrading, so our "estimate" of possible upgrading and maintenance costs is approximately \$2,400 per year. You may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer System that might interfere with the operation of the Computer System in the manner we require. (Section 2.4 of the Franchise Agreement)

Manuals

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

Franchisee Council

We have 1 ~~F~~franchisee ~~C~~council ~~in effect, which operates under bylaws~~. The purpose of the franchisee council is to foster communications among franchisees and with us. We ~~reserve the right to~~can modify the bylaws, ~~or to establish other legal, administrative, and organizational framework for~~ of the ~~F~~franchisee ~~C~~council. ~~We also reserve the right to discontinue a Franchisee Council~~ at any time. We can also discontinue the franchisee council at any time. The ~~F~~franchisee ~~C~~council does not ~~exist to advise us on any policies~~have any decision-making power.

ITEM 12

TERRITORY

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

~~You must operate the Franchised Business managing the Center from an accepted location. You must obtain our written approval of the Franchised Business's proposed location in accordance with the Site Selection Addendum. The Site Selection Addendum to your Franchise Agreement will specify the search area, which will generally be a DMA in within which you search for and identify a proposed must find a suitable location for your Franchised Business. We may permit Center. The search area of other franchisees to look for prospective sites within an area which is the same as or may overlaps with your Ssearch Aarea, and we may establish, or franchise others the right to establish, a Franchised Business or Center operating under the System within the Search Area. Once we accept a location to be the "Premises," it will be identified in the Franchise Agreement and the "Territory" will be determined as described below:~~

You must develop the Center and operate the Franchised Business managing the Center at the Premises. You will operate the Franchise Business within a "Territory." If you desire to move or relocate your Premises, you must provide us a written request for relocation and a detailed reason for relocation. You must receiveobtain our written approval of your proposed location for the Center, and you cannot relocate your Center without our prior written approval before you can relocate. Any proposed move must be within your Territory, and relocation will be subject to the same criteria, conditions, and procedures as we have established for the initial approval of the Premises. Once we accept the location of your CenterAfter the Premises are accepted, we will designate a determine your protected territory (the "Territory and describe it in the Franchise Agreement"). The Territory may also be drawn on a map and the map will be attached to the Franchise Agreement. However, we reserve the right to define the Territory by other boundaries (e.g., natural boundaries). The size and scope of the Territory will be determined according to a number of factors including the population, demographics, competition, location of any existing Centers in the area, and site availability. A Territory will typically consist of a geographic area that has a population of approximately 50,000 measured according to publicly available population information. The exact Territory will, however, vary and will be determined on the factors specific to the location as needed to encompass a population of approximately 50,000, and will be specified in theHowever, there are no minimum requirements regarding the size or configuration of the Territory (for example, number of people living and working in the area, income levels, and buying habits), other similar and complementary businesses and destinations in the area, traffic patterns and natural barriers impacting how people get to and move within the area, availability of potential sites, likely trade areas, and growth trends. The Territory is typically described on a map attached to the Franchise Agreement but may also be identified by other means including, for example zip codes, market service areas (MSAs) or designated marketing areas (DMAs), streets, or official city or county boundaries.

Territorial Rights – Franchise Agreement

~~We will grant you a Territory where you will manage the Center. You will not receive an exclusive territory. You may face competition from outlets that we own or from other channels of distribution or competitive brands that we control. We do, however, provide you with certain protections in your Territory.~~

Except as described below under the subheading "Rights We Reserve Under thein this Item 12, so long as you are in compliance with the terms of your Franchise Agreement," we will not establish or

~~operate an additional, or grant a franchise for the operation of another, Franchised Business or a similar urgent care management business that operates under a different mark or trade name that has its principal location within the Territory, during the term of the Franchise Agreement. If you select a Territory where we or any affiliate already has a Franchised Business or a similar urgent care business, then any existing business may continue to operate and will not be in violation of your~~, operate or authorize anyone else to own or operate a Center within the Territory identified in your Franchise Agreement, and so long as you are in compliance with the terms of your Area Development Agreement, we will not, during the term of the Area Development Agreement, operate or authorize anyone else to own or operate a Center in the Development Area identified in the Area Development Agreement. These are referred to as your **“Territorial Protections.”**

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

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

~~The Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional territories.~~

Rights We Reserve Under the Franchise Agreement

~~We will not establish or license others the right to establish a Franchised Business in the Territory during the term of the Franchise Agreement so long as you are in compliance with the Franchise Agreement. However, we and our affiliates retain all rights with respect to Franchised Businesses, Centers, the System, the Marks, the sale of similar or dissimilar services, and any other activities we deem appropriate whenever and wherever we desire, including:~~

(1) the right to establish and operate, and to grant others the right to ~~operate, Franchised Businesses and Centers and similar urgent care or medical management businesses under different names or marks located anywhere~~establish and operate, Centers using the System Standards and the Marks outside the Territory ~~under any terms and conditions we deem appropriate and~~and the Development Area regardless of proximity to ~~the Premises or the Territory, and in the Manual~~your Center;

(2) the right to establish and operate ~~(and grant to others~~anyone else the right to establish and operate anywhere in the world (including in your Territory) any other business that is not a Center, even if such business ~~offerings and sells~~ products and services that are ~~not~~ the same as or similar to the products or services offered by ~~Franchised Businesses or Centers, through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks (including other trademarks or service marks owned by us and any of our affiliates) and on any terms and conditions we deem appropriate;~~your Center;

(3) the right to use and to grant others the right to use the Marks and System, and any other trademarks and systems, to offer and sell anywhere in the world (including in your Territory) any products or services, whether or not the same as or similar to the products and services you are

authorized to offer and sell at your Center, through any channel or method of distribution that is not a Center in your Territory, including, without limitation, telehealth, mail order pharmacy services, home care, mobile-labs, internet-based services, and other health, wellness and related products and services;

(4) ~~(3)~~ the right to acquire the assets of or ownership interests ~~of 1 or more in businesses, or be acquired by~~ businesses that operate, and/or have granted franchises, licenses, or similar rights to ~~1 or more~~ third parties to operate businesses similar to and/or competing with Centers ~~and Franchised Businesses related to Centers, and/or the right to be acquired by a competing urgent care business or medical management business or by another business,~~ even if such businesses es operates, franchises and/or licenses competitive businesses anywhere, including in the Territory; ~~provided, however, that if we acquire such a competing business or chain we will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory (but we may rebrand existing businesses within the Territory to use the Marks and the System). Any business operations of the same or similar business that existed or operated at the time of such acquisition or transaction will not constitute a breach of Section 1.2 of the Franchise Agreement; and~~ and the Development Area. We or our affiliates may convert such businesses to Centers and/or permit them to continue to operate under another name regardless of their locations; and

(5) ~~(4)~~ the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, ~~Franchised Businesses and Centers,~~ and the services and products offered by or at the Centers, and authorize others to do so, ~~and those materials may appear in media, including, without limitation, (via the I~~internet or similar electronic media,) or be received by prospective customers located anywhere, including within the Territory and the Development Area.

~~You may provide the authorized management services to the Center at the Premises, and the Center may offer and provide only those services that we have authorized and only at the Premises. You may not offer or sell, or permit the PC to offer or sell, services or products authorized under the Franchise Agreement through any other means, including without limitation, through mail order, the Internet, or through any electronic media, without our prior written approval. Customers have total freedom to select where to obtain services. Neither the Center you manage, nor any other Center is restricted from providing services to any customer at any Center, regardless of where the customer lives.~~

~~The continuation of your Territory does not depend on the achievement of any particular sales volume, market penetration, or other contingency. If you default under the Franchise Agreement, we reserve the right to undertake certain actions in lieu of termination of the Franchise Agreement, including modifying or eliminating completely the Territory.~~

Area Development Agreement

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

~~The Area Development Agreement grants you the right to develop an agreed upon number of Franchised Businesses within a geographical territory described in the Agreement (the "**Development Area**"). The size of the Development Area will depend on the number of franchises suitable for the Development Area, as determined by us and you in light of factors such as population density and the residential and commercial character of the area. The number of franchises and the dates the options are to be exercised are set forth in the Area Development Agreement (the "**Development Schedule**").~~

We do not restrict our franchisees from soliciting or providing services to customers outside their Territory. However, without our prior written approval, you may not offer or sell, or permit the PC to

offer or sell, services or products through any alternate means of distribution such as mail order, the Internet, etc.

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

~~During the term of the Area Development Agreement and provided you are in compliance with the Agreement and all other agreements with us, we will: (a) grant to you, in accordance with Section III of the Area Development Agreement, a cumulative number of franchises all of which are to be located within the Development Area; and (b) not operate nor grant the right to operate any franchise located within the Development Area. Continuation of your exclusivity in the Development Area is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. You maintain the rights to your Development Area even though the population increases. We may not alter the Development Area without your consent unless you default in your performance of the Agreement. You must open and operate the cumulative number of franchises set out in the Development Schedule. We have no obligation under any circumstances to extend the Development Schedule. Your failure to develop and operate franchises in accordance with the Development Schedule will be a material breach of the Area Development Agreement.~~

~~Under your Area Development Agreement, as you open each of your Franchised Businesses, we will grant you a Territory where you will manage the Center according to our then-current specifications for territories. We must accept each of your locations of future sites and in any territories for the sites.~~

~~We became the franchisor of the “Doctors Express” franchise system on April 15, 2013. Our Parent, American Family Care, Inc., has operated clinics providing family care and urgent care services since 1982. Parent and its subsidiaries, as of the date of this disclosure document, operate 79 urgent care and family practice clinics in Alabama, Connecticut, Florida, Georgia, Massachusetts and Tennessee under the name “American Family Care”. Our Parent does not offer franchises. Our Parent’s principal business address is the same as ours. We do not anticipate that Parent’s American Family Care Centers and American Family Care Franchised Businesses will be developed within a Franchisee’s Territory. There may, however, be some instances where Parent has developed and operates its clinics in the same general area as existing or future Centers.~~

ITEM 13 **TRADEMARKS**

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

Service Mark and/or Trademark	Class	Registration Number	Date
AMERICAN FAMILY CARE	44	~~4,487,746~~ 4487746	February 25, 2014
AFC	44	~~4,954,739~~ 4954739	May 10, 2016
	44	~~4,963,999~~ 4963999	May 14, 2016
NATIONAL FLU PREVENTION WEEK	44	4,915,839	~~March 8, 2016~~
	44	~~4,490,730~~ 4490730	March 4, 2014
	44	~~5,170,540~~ 5170540	March 28, 2017
	44	~~5,175,667~~ 5175667	April 4, 2017
SETTING THE STANDARD IN URGENT CARE	44	5,166,503	~~March 21, 2017~~
	44	~~5,195,152~~ 5195152	May 2, 2017
AFC Urgent Care	44	~~5,240,938~~ 5240938	July 11, 2017
	44	~~5,315,442~~ 5315442	October 14, 2017
	44	~~5,315,440~~ 5315440	October 24, 2017
MAN-UP-CHECKUP	44	5,478,832	~~May 29, 2018~~
	44	~~5,476,580~~ 5476580	May 22, 2018

Service Mark and/or Trademark	Class	Registration Number	Date
American Family Care TeleCare	44	6,631,114 6631114	February 1, 2022
AFC COVIDSafe Workplace	44	6,740,096 6740096	May 24, 2022
~~NOBODY CARES LIKE FAMILY~~	44	7,225,984	November 21, 2023

All required affidavits of use and an affidavit of incontestability, when due, for the above Marks and registrations have been timely filed with the ~~U.S. Patent and Trademark Office~~ (“USPTO”).

Parent has also filed the following application (together, the “Additional Marks”):

Service Mark and/or Trademark	Class	Application Serial No.	Date
	44	97,283,375	February 24, 2022

~~We do not have a federal registration for this trademark. Therefore, this trademark does not have as many legal benefits and rights as federally registered trademarks. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.~~

Our right to use and license others to use the Marks is exercised under a trademark license agreement [dated March 10, 2025](#) (the “TM Agreement”) between us and ~~our Parent~~ [AFCLLC](#). The TM Agreement has a term ~~ending August 6, 2063, with an automatic 50-year renewal term. If we were ever to lose our rights to the Marks, Parent will be required under the TM Agreement to allow our franchisees to maintain their~~ [of 99 years and can be terminated on 30 days’ notice without cause or for a material breach of the TM Agreement which is not cured upon 30 days’ notice to us \(resulting in the loss of our right to use and to sublicense the use of the Marks\). Your rights to use the Marks in accordance with during their current term of your Franchise Agreements or other license agreements will not be affected by the termination or expiration of our license. However, we will not be able to grant additional licenses of the Marks after expiration or termination of our license.](#)

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

~~We allow our franchisees to use the phrase “THE RIGHT CARE. RIGHT NOW.” (“Phrase”) in conjunction with our primary marks. The Phrase is not registered because it is descriptive or informational of our services. Righttime, Inc. operates urgent care clinics in Maryland. It owns a federally registration mark for “RIGHT CARE AT THE RIGHT TIME” and has sent us a Cease-and-Desist letter requesting that we refrain from further use of the Phrase because it is confusingly similar to their mark. We disagree with their position. This case was dismissed for a lack of jurisdiction and neither party has done anything else.~~

Your right to use the Marks is derived only from the Franchise Agreement and limited to your operating the ~~Franchised Business~~ [Center](#) according to the Franchise Agreement and all System Standards we prescribe during its term.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark, and not to communicate with any person other

than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate and control exclusively any litigation, USPTO proceeding, or other administrative proceeding resulting from any infringement, challenge, claim, or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or [USPTO](#) or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or use ~~1 or more~~ additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for ~~your direct~~[any](#) expenses ~~of changing the Franchised Business's signs, or~~ for any loss of revenue due to any modified or discontinued Mark, ~~or for your expenses of promoting a modified or substitute trademark or service mark.~~

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

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

ITEM 14 **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

Patents

~~No~~[We or our affiliates do not own any](#) patents [or patent applications which](#) are material to the franchise ~~d business or your operation of the Franchised Business.~~

Copyrights

~~Our founder, Dr. Bruce Irwin, filed a copyright for the "American Family Care Mission Statement" with the United States Copyright Office, Registration Number TX-8-167-502. All franchisees are required to display the Mission Statement at the Centers.~~

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

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

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

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

Confidential Information

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

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

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

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

(without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

Confidential Manuals

~~We will loan you during the Initial Term 1 copy of~~ During the term of the Franchise Agreement, we will grant to you access to our Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. You agree to read and follow the mandatory policies and procedures in the Manual.

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

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

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

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

~~You must keep us informed at all times of the identity of any supervisory employee(s) or acting Center Administrator.~~ The Center Administrator must devote his or her full time and best efforts to the management and supervision of the Center.

If you own or control more than ~~1 Franchised Business~~ one Center, each Center must be under the direct on-premises supervision of a Center Administrator who has completed our training programs and, if then applicable, obtained certifications that we may specify.

The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for you. You may not change the Operating Principal without our prior written consent. We require that all owners, except those that ~~hold a small ownership interest in the~~

~~franchises (10% or less); ownership interest in you, to~~ sign a guarantee and assumption of obligations in the form attached to the Franchise Agreement as Exhibit E. ~~Non-owner S~~ spouses of ~~your~~ owners are not required to sign a guarantee and assumption of obligations; however, they must sign their spouse's guaranty to acknowledge the guaranty's existence and to be bound by the confidentiality and non-competition provisions of the guaranty.

You or your Operating Principal must satisfactorily complete initial training. If you or your Operating Principal fails to complete the initial training to our satisfaction, then you must repeat the training or send a substitute to complete the next available training program. We ~~reserve the right to~~ may charge you ~~for a fee to provide training to the~~ substitute personnel ~~that attend the next training program.~~ If we determine that you or your Operating Principal cannot complete initial training to our satisfaction, we may terminate the Franchise Agreement ~~at our sole discretion, and if we do, you and we will sign mutual releases.~~

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

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

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

~~You must sign and maintain during the term of your Franchise Agreement, a Management Agreement with a PC (unless you and we sign an Amendment to Waive Management Agreement). Our criteria for a PC include requirements that the physicians of the PC be duly licensed, and board certified as required in their respective states and have experience in emergency medicine and family practice medicine. If you are not able initially to find a suitable urgent care physician or physicians to create, own and staff the PC, we have an approved vendor that can assist you for a fee. You must use our applicable standard form of Management Agreement attached hereto as Exhibit B; however, you may negotiate the monetary terms and, with our written consent, certain other terms of the relationship with the PC. If you make changes to the Management Agreement, you must submit a red-lined copy to us for our review, which may take up to 30 days. You must obtain our written approval of the final Management Agreement prior to signing it with the PC. The PC will employ and control the Affiliated Physicians (i.e., general urgent care physicians and the specialty medical physicians and personnel including, nurses, X-ray technicians, and medical receptionists, together with the general practitioners) and the other urgent care professionals who will provide the actual urgent care services required to be delivered at and through the Center. You must ensure that the PC offers all urgent care services in accordance with the Management Agreement and the System and does not offer any services or products that we have not authorized to be provided in connection with Centers.~~

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

To the extent required, ~~You~~ you must provide all management services to the ~~Center~~PC that we specify to support the PC's provision of u~~Urgent care practice and its delivery of urgent~~Primary e~~Care s~~Services and related products to urgent care patients at a Center,at the Center in a manner that is consistent with all applicable laws and regulations. You must ~~also ensure that the PC provides at the Center the services and products that we specify. You must offer and sell approved services and~~at and from the Center all products and services, and only in the manner those products and services, that we have approved. You must not offer for sale or sell at ~~or from the Franchised Business, from, or in connection with the operation of your Center~~ any services or products we have not approved, ~~and you will ensure that the PC operating the Center offers and sells only those services and products that we have approved, and you will be responsible for ensuring that the PC operating the Center discontinues selling and offering for sale any services or products that we disapprove or for which we have revoked our approval.~~ You will discontinue selling and offering for sale any services or products that we at any time decide ~~(in our sole discretion)~~ to disapprove in writing. There is no limit our ability to change the types of products and services that you may offer or sell. Without limiting the previous requirement, you agree not to provide any medical care or medical services, ~~as determined by us and applicable local, state, and federal laws and regulations.~~

To the extent required by applicable laws, the PC for the Center will employ and control the ~~Affiliated Physicians. You may not provide any actual urgent care or medical services, nor will you~~Licensed Persons. You will not supervise, direct, control or suggest to, the PC or its physicians or employees the manner in which the PC provides or may provide ~~medical or urgent care services to its patients. You must ensure that the PC offers all urgent care services in accordance with the Management Agreement and the System and does not offer any services or products that we have not authorized to be provided in connection with~~Urgent and Primary Care Services at the Center.

If you determine that ~~it is permissible (or not prohibited) in your state, you and we may enter into an Amendment to Waive Management Agreement. Under this Amendment, you will both~~under the applicable laws, you can own and operate the Center ~~(including performing all responsibilities and obligations of the "PC"), and manage the Center as required by,~~ employ Licensed Persons, provide Urgent and Primary Care Services, and pay royalty and other fees to us and our affiliates in the manner described in the Franchise Agreement ~~and the Management Agreement. Any waiver, or any modification of our standards, would be subject to compliance with all applicable laws and regulations., then upon your request, we may waive the requirement for you enter into a Business Support Services Agreement with the PC and require you to execute the Amendment to Waive Business Support Services Agreement, the current form of which is attached as Exhibit I to this disclosure document.~~

~~We generally do not restrict the persons you solicit, or the methods by which you promote the Franchised Business and the Center you manage.~~

~~[The remainder of this page intentionally left blank.]~~

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

FRANCHISE AGREEMENT

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Definitions	Term expires 10 years after opening date of the ~~Franchised Business Center~~ .
b. Renewal or extension	Section 13	4 additional 5-year renewal terms.
c. Requirement for franchisee to renew or extend	Section 13	~~Substantial compliance; notice; maintain or substitute Premises; signing of then-current franchise agreement; release; satisfy all monetary obligations to us; comply with training and qualification requirements; improvements to premises.~~ ~~If you seek to renew your franchise at the expiration of the initial term, you will be asked to sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements.~~ <u>You must: give timely notice of intent to seek successor franchise (180 to 270 days prior to the expiration of the term); not be in default of, and substantial compliance with, the Franchise Agreement; fulfill of all monetary obligations; upon our request, you and your owners (as applicable) must execute a general release and our then-current form of Franchise Agreement and related documents, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms from this Agreement; your designated trainees must successfully complete any additional training that we designate; maintain your right to occupy the premises of your Center for the duration of the successor term; renew your Business Support Services Agreement with the PC for the duration of the successor term on such terms that are acceptable to us; pay us a successor franchise; and you make such modifications and improvements to your</u>

Provision	Section in franchise or other agreement	Summary
		<u>Center to bring it into compliance with then-current System Standards. Our grant of successor franchise term is also subject to us then granting Franchises for the Centers in the state in which your Center is located.</u>
d. Termination by franchisee	Not applicable	Not applicable; <u>but</u> subject to <u>applicable</u> state law.
e. Termination by franchisor without cause	Not applicable	~~We cannot terminate without cause and, therefore, if you had an Area Development Agreement, it would have no effect~~ <u>Not applicable.</u>
f. Termination by franchisor with cause	Sections 14.1, 14.2 and 14.3	We may terminate only if you default. ~~If we terminate you and you have an Area Development Agreement, it does not affect any remaining rights under that agreement; and commit any violation described in Item 17 (g) and (h)~~
g. "Cause" defined – curable defaults	Sections 14.2 and 14.3	You have 30 days to cure: failure to open ~~Franchised Business~~<u>the Center</u> within specified time period; failure to complete training; <u>misuse of any proprietary software</u>; failure to maintain required licenses; failure to maintain required insurance; failure to pay amounts due; failure to pay ~~us~~, suppliers or taxing authorities; ~~and other grounds. If we terminate you and you have an Area Development Agreement, it does not affect any remaining rights under that agreement.~~<u>failure to operate from the approved premises; failure to hire required personnel; and violation of the Franchise Agreement.</u> <u>You have 10 days to cure: your or your PC's failure to comply with legal requirements for operation and/or employment in an urgent care management business</u> <u>You have 5 days to cure: your failure to pay outstanding amounts to us or our affiliates.</u> <u>Under cross-default provision, we can terminate the Franchise Agreement if you or your affiliates fails to comply with any other agreement with us or our affiliates and do not cure such failure within the applicable cure period.</u>
h. "Cause" defined -	Sections 14.1 and	<u>Your B</u> ~~ankruptcy~~ ; insolvency; ~~misuse of our~~

Provision	Section in franchise or other agreement	Summary
non-curable defaults	14.2	~~Marks; transfer in violation of the Franchise Agreement, material misrepresentation on application for a Franchised Business, felony conviction, unauthorized disclosure of Confidential Information, and other grounds.~~ If we terminate you and you have an Area Development Agreement, it does not affect <u>any remaining rights under that agreement, failure to discharge an unsatisfied judgement for more than 30 days, or failure to dismiss a foreclosure action for more than 30 days; material misrepresentation in franchise application process; unauthorized transfers; felony conviction or guilty plea to a felony charge by you or your owners, misuse of our Marks, our confidential information, or the System; unauthorized interference in our relationship with our vendors or other third-parties; underreporting Net Payments of your Center; repeated defaults; violation of anti-terrorism laws; operation of your Center in an unsafe manner; your failure to maintain a valid Business Support Services Agreement in place in the form we approve with a PC that we approve or designate; or your failure to comply with the Business Support Services Agreement. Under cross-default provision, we can terminate the Franchise Agreement if you or your affiliates fails to comply with any other agreement with us or our affiliates and do not cure such failure within the applicable cure period.</u>
i. Franchisee's obligations on termination/non-renewal	Section 15	Cease ~~use of Marks; payment of~~ <u>operating and using the Marks; pay all outstanding</u> amounts due; ~~cease operating Franchised Business;~~ comply with <u>restrictive</u> covenants; return Manual and others confidential information; <u>cancel all fictitious name registrations; deidentify the Center; and comply with our other instructions related to closure or de-identification of the Center.</u>
j. Assignment of contract by franchisor	Section 12.1	We may assign the Franchise Agreement without limitation.
k. "Transfer" by franchisee – defined	Section 12.2	Includes ~~transfer of any interest~~ <u>voluntary or involuntary sale, assignment, transfer, conveyance, gift, pledge, mortgage, or otherwise disposal of or encumbrance of any direct or indirect interest in the Franchise</u>

Provision	Section in franchise or other agreement	Summary
		<u>Agreement, your Center or its assets (other than in ordinary course of business), your right to possession of the premises, your right to manage the Center; or any direct or indirect ownership interest in you (if you are an entity).</u>
l. Franchisor approval of transfer by franchisee	Section 12.3	~~Our consent to a~~ <u>We have the right to approve</u> ~~all transfers is not a waiver of any claims we have against~~ <u>by you or your owners.</u>
m. Conditions for franchisor approval of transfer	Section 12.3	Our approval of transferee; <u>and its financial condition; our receipt of all required information; your correction of all deficiencies to meet the System Standards; you agreeing to upgrade and refurbish the Cener to comply with the then-current System Standards; transferee and its owners</u> sign then-current franchise agreement; payment of transfer fee; <u>and all outstanding amounts; your and your owners' execution of execution of</u> release; ~~non-competition;~~ <u>successful completion of all training required by us of the</u> transferee ~~qualifies~~ <u>and its personnel</u> ; all obligations to us satisfied; and ~~others~~ <u>your and your owners' compliance with non-compete obligations.</u>
n. Franchisor's right of first refusal to acquire franchisee's business	Section ~~12.6~~ <u>12.5</u>	We have the right of first refusal, if you determine to sell or transfer your interest in the franchisee, the Franchise Agreement or the ~~Franchised Business~~ <u>Center.</u>
o. Franchisor's option to purchase franchisee's business	Section 15.5	We have the right upon termination or expiration to purchase all your assets from the ~~Franchised Business~~ <u>Center</u> at a purchase price equal to their fair market value.
p. Death or disability of franchisee	Section ~~12.5~~ <u>12.4</u>	Your estate must transfer your interest in the ~~Franchised Business~~ <u>Center</u> to a third party we approve, within 12 months after death or disability. Your estate must appoint a manager within 30 days of death or disability and an Operating Principal within 90 days after death or disability; subject to state law.
q. Non-competition covenants during the term of the franchise	Section 7	<u>You, your owners, and your and your owners' immediate family members cannot engage in Competitive Business (except own less than 5% ownership interest in a competing publicly traded company); be or perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business.; divert or attempt to</u>

Provision	Section in franchise or other agreement	Summary
		<u>divert any actual or potential business or customer of any Center to a Competitive Business; interfere or attempt to interfere with our or our affiliates' relationships with any vendors, franchisees, or consultants; or engage in any other activity which might injure the goodwill of the Marks or System or directly or indirectly, appropriate, use or duplicate the System or System Standards.</u> ~~Includes a prohibition on engaging in~~ <u>"Competitive Business, including" – means (i)</u> any urgent <u>or primary</u> care center, or a business that offers <u>or provides urgent and/or primary care or management services for an urgent care center, or any other product or service</u> or management service that is similar to the services and products authorized to be offered ~~or~~, sold <u>or provided</u> under the Marks and the System; <u>; or (ii) any business that grants franchises or licenses to others to operate the type of business specified in the Franchise Agreement.</u>
r. Non-competition covenants after the franchise is terminated or expires	Section 15.4	Includes a 2-year prohibition on a Competitive Business at the Premises, within the Territory, ~~and~~ within 5 miles of the border of the Territory ~~or within the Territory of other Franchised Businesses in operation or under construction;~~ <u>and within 10 miles of any Center. This restriction is</u> subject to <u>applicable</u> state laws.
s. Modification of agreement	Section ~~17.9~~ <u>8.8</u>	The Franchise Agreement may only be modified by written agreement signed by both parties; ~~however, we may freely change~~ <u>System Standards.</u>
t. Integration/merger clause	Section ~~17.12~~ <u>19</u>	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. However, nothing ~~in the agreement~~ is intended to disclaim any representations we make in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 17.5	Before filing for arbitration, the parties must first submit the dispute to non-binding mediation (except for injunctive relief). The Franchise Agreement contains provisions that

Provision	Section in franchise or other agreement	Summary
		may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised (subject to applicable state law). If mediation is not successful, except for certain claims, all disputes must be arbitrated <u>before the American Arbitration Association (the “AAA”) according to the AAA’s then-current Commercial Arbitration Rules at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor’s or assign’s, as applicable) then-current principal place of business (currently, Hoover, Alabama). These provisions are subject to applicable state law.</u>
v. Choice of forum	Section 17.7	~~Arbitration must be in Jefferson County, Alabama-s~~ Subject to applicable <u>state law, you must sue us in the state where our or, as applicable, our successor’s or assign’s corporate headquarters are located (currently Hoover, Alabama).</u>
w. Choice of law	Section 17.6	Alabama <u>law</u> , subject to applicable state law.

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

AREA DEVELOPMENT AGREEMENT

Provision	Section in area development agreement	Summary
a. Length of the franchise term	Section IV	~~180 days after~~ <u>The term shall expire on the earlier of (i) the last day of the last Development Period under the Development Schedule, or (ii) the date on which the last Center on required to be opened pursuant to the dDevelopment Schedule is opened- for business</u>
b. Renewal or extension	None	Not Applicable
c. Requirement for franchisee to renew or extend	None	Not Applicable
d. Termination by franchisee	None	Not Applicable; subject to state law.
e. Termination by franchisor without cause	None	We cannot terminate without cause ~~and, therefore, would have no effect on any existing franchise agreements.~~
f. Termination by franchisor with cause	Section V	We can terminate only if you default. ~~If we terminate the Area Development~~

Provision	Section in area development agreement	Summary
		~~Agreement, it does not terminate any existing franchise agreements.~~
g. "Cause" defined – curable defaults	Section V.C.	You have 30 days to cure: ~~failure to meet development schedule; misuse of Marks. If we~~ <u>any default that is not enumerated in Section V.C. of the Area Development Agreement. Under cross-default provision, we can</u> terminate the Area Development Agreement, ~~it does not terminate any existing franchise~~ <u>if you or your affiliates fails to comply with any other agreements with us or our affiliates and do not cure such failure within the applicable cure period.</u>
h. "Cause" defined - non-curable defaults	Section V.B. and V.C.	Insolvency or bankruptcy, receivership or assignment for benefit of creditors; ~~unauthorized attempt to assign or transfer; false or misleading statements. If we~~ <u>you fail to meet the Development Schedule or fail to make progress in the development of Centers to indicate, in our determination, that you will not be able to satisfy your development obligations under this Agreement for the then-current Development Period; you or your owners make or attempt to make an unauthorized transfer; you or your owners make or have made any misrepresentation to us; you, your owners, or your employees or agents misuse the System or our Marks; or felony conviction, guilty plea, or improper behavior by you or your owners. Under cross-default provision, we can</u> terminate the Area Development Agreement, ~~it does not terminate any existing franchise if you~~ <u>or your affiliates fails to comply with any other agreements with us or our affiliates and do not cure such failure within the applicable cure period.</u>
i. Franchisee's obligations on termination/non-renewal	Section ~~VII.~~ <u>V</u>	~~Comply with covenants~~ <u>You must cease exercising any rights under the Area Development Agreement.</u>
j. Assignment of contract by franchisor	Section VI.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section VI.B.	Includes pledge, gift or assignment of the Area Development Agreement or ownership change of Developer.

Provision	Section in area development agreement	Summary
l. Franchisor approval of transfer by franchisee	Section VI.	We have the right to approve any transfer ~~but will not unreasonably withhold approval if you meet our conditions which are set forth in the Franchise Agreement and incorporated by reference.~~ <u>You, your owners, and your and their permitted successors or assigns shall not market or advertise for sale, sell, pledge, assign, transfer, convey, give away, mortgage, or otherwise dispose of or encumber any interest in the Area Development Agreement or in you.</u>
m. Conditions for franchisor approval of transfer	Section VI.	All obligations to us are satisfied; <u>you and your owners</u> sign a release; transferee must qualify and either assume the Area Development Agreement and Franchise Agreements or sign new agreements and complete training; pay transfer fee.
n. Franchisor's right of first refusal to acquire franchisee's business	~~None~~ <u>Not Applicable</u>	Not Applicable
o. Franchisor's option to purchase franchisee's business	~~None~~ <u>Not Applicable</u>	Not Applicable
p. Death or disability of franchisee	Section VI.	Must be transferred to a qualified person within a reasonable time: ~~and subject to our~~ <u>consent.</u>
q. Non-competition covenants during the term of the franchise	~~Section VII.~~ <u>Not applicable</u>	~~No interest in a Competitive Business anywhere; subject to state law.~~ <u>applicable</u>
r. Non-competition covenants after the franchise is terminated or expires	~~Section VII.~~ <u>Not applicable</u>	~~For 24 months, no interest in a Competitive Business within the Development Area or within 5 miles of the border of any territory; subject to state law.~~ <u>Not applicable</u>
s. Modification of agreement	Section XII.	No modification except by written agreement signed by both parties.
t. Integration/merger clause	Section XII.	Only the terms of the Area Development Agreement are binding (subject to state law), any other promises are unenforceable. ~~No claim made in any franchise agreement~~ <u>Nothing</u> is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section ~~XIV~~ <u>XIII</u> .	~~Except for certain claims, a~~ <u>All</u> disputes must be arbitrated <u>before a AAA arbitrator according to the AAA's then-current</u>

Provision	Section in area development agreement	Summary
		Commercial Arbitration Rules at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor's or assign's, as applicable) then-current principal place of business (currently, Hoover, Alabama). These provisions are subject to applicable state law.
v. Choice of forum	Section XIV.A.	~~Arbitration must be held in Jefferson County, Alabama, s~~ Subject to applicable state law, you must sue us in the state where our or, as applicable, our successor's or assign's corporate headquarters are located (currently Hoover, Alabama).
w. Choice of law	Section XII ~~f~~ .	Alabama law ~~applies~~ , subject to applicable state law.

ITEM 18 **PUBLIC FIGURES**

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

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

~~The Tables below present certain historical revenue and related operating results for the 215 Center businesses that were open and in operation all of Fiscal Year 2023. Of these 215 Centers, all are owned and operated by Franchisees.~~

[As of December 31, 2024, there were 386 Centers in operation, 82 of which are owned and operated by our affiliates \("Affiliate Owned"\), and 304 of which are owned and operated by third-party franchisees \("Franchisee Owned"\). For purposes of this Item 19, we have excluded 38 Centers that initially commenced business in 2024 \(4 Affiliate Owned and 34 Franchisee Owned\) because of volatility associated with the ramp-up after the Centers' initial opening. The remaining 348 Centers \(78 Affiliate Owned and 270 Franchisee Owned\) form the data set \(the "Data Set"\) for this Item 19, which reflects historical information for calendar year 2024 that is provided to us by our franchisees and affiliates.](#)

~~Table 1 presents the data for each of the 215 Centers included in the sample, as well as the collective totals and averages for these Centers. Table 2 presents the averages of the Centers when grouped according to the year in which these 215 Centers first began operating. Please carefully read all~~

of the information in this Item 19, and all of the notes following the charts, in conjunction with your review of the historical data.

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

Table 1—2023.A. AFFILIATE OWNED CENTERS

Net Payments and Patient Counts by Center

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

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
<u>1</u>	<u>2009</u>	<u>18,451</u>	<u>\$2,080,038.71</u>
<u>2</u>	<u>2009</u>	<u>14,297</u>	<u>\$1,525,069.58</u>
<u>3</u>	<u>2010</u>	<u>10,394</u>	<u>\$1,318,507.18</u>
<u>4</u>	<u>2010</u>	<u>12,013</u>	<u>\$1,589,205.28</u>
<u>5</u>	<u>2010</u>	<u>18,116</u>	<u>\$1,877,478.05</u>
<u>6</u>	<u>2010</u>	<u>10,083</u>	<u>\$1,212,245.51</u>
<u>7</u>	<u>2010</u>	<u>10,776</u>	<u>\$1,005,306.04</u>
<u>8</u>	<u>2010</u>	<u>13,796</u>	<u>\$1,918,599.93</u>
<u>9</u>	<u>2010</u>	<u>18,025</u>	<u>\$1,932,437.48</u>
<u>10</u>	<u>2010</u>	<u>13,328</u>	<u>\$2,050,123.32</u>

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
11	2010	13,383	\$1,767,113.09
12	2011	14,511	\$1,877,753.55
13	2011	28,933	\$3,132,457.79
14	2011	14,009	\$1,734,789.06
15	2011	10,830	\$1,160,546.41
16	2011	4,836	\$564,297.62
17	2011	11,492	\$1,491,516.28
18	2011	9,146	\$1,371,867.04
19	2011	15,162	\$2,830,648.57
20	2011	11,697	\$1,594,122.49
21	2012	21,391	\$3,057,726.37
22	2012	20,820	\$3,564,128.59
23	2012	14,599	\$2,059,536.54
24	2012	11,737	\$2,212,027.27
25	2012	12,347	\$1,699,300.56
26	2012	22,296	\$2,758,597.47
27	2012	10,969	\$1,203,485.74
28	2012	10,070	\$1,119,082.40
29	2012	9,587	\$1,836,945.01
30	2012	11,061	\$1,117,760.15
31	2012	12,519	\$2,536,425.35
32	2012	12,015	\$1,751,184.09
33	2013	13,447	\$1,733,013.00
34	2013	30,508	\$4,213,665.25
35	2013	13,758	\$1,203,384.70
36	2013	17,257	\$2,479,870.01
37	2013	27,877	\$3,596,028.54
38	2013	18,604	\$3,719,503.49
39	2013	8,617	\$1,274,804.86
40	2013	17,831	\$3,332,221.29
41	2013	19,962	\$3,630,512.69
42	2014	12,860	\$2,286,266.60
43	2014	20,041	\$2,386,279.28

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
44	2014	9,945	\$1,549,217.48
45	2014	29,760	\$4,019,973.08
46	2014	13,187	\$1,829,034.66
47	2014	15,322	\$2,192,291.85
48	2014	11,786	\$1,564,889.78
49	2014	9,503	\$1,223,061.30
50	2014	20,210	\$2,401,754.63
51	2014	18,546	\$1,557,528.21
52	2014	21,170	\$3,307,676.79
53	2014	10,457	\$1,007,089.40
54	2014	10,408	\$1,257,112.31
55	2015	21,184	\$2,781,670.60
56	2015	20,805	\$2,805,187.89
57	2015	14,626	\$1,706,692.93
58	2015	20,769	\$2,932,561.10
59	2015	23,531	\$2,886,867.00
60	2015	14,919	\$2,153,261.91
61	2016	11,088	\$1,599,893.42
62	2016	23,157	\$4,034,431.42
63	2016	22,163	\$3,146,673.80
64	2016	18,890	\$2,687,968.59
65	2016	11,498	\$1,428,855.99
66	2016	20,277	\$3,350,438.47
67	2016	10,712	\$1,521,397.09
68	2016	12,253	\$1,505,622.46
69	2016	16,682	\$1,929,161.99
70	2016	23,327	\$3,026,881.70
71	2016	14,952	\$1,948,898.85
72	2016	15,142	\$1,618,262.22
73	2016	11,681	\$1,352,489.61
74	2016	20,983	\$2,847,321.21
75	2016	17,736	\$2,223,048.30
76	2016	17,872	\$2,989,585.78

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
77	2016	19,606	\$3,339,934.70
78	2016	16,713	\$3,351,612.97
79	2016	15,602	\$1,718,461.80
80	2017	11,953	\$2,075,465.38
81	2017	16,771	\$1,960,087.79
82	2017	15,800	\$2,309,921.50
83	2017	10,790	\$1,451,582.10
84	2017	12,001	\$1,599,312.84
85	2017	12,763	\$1,767,056.30
86	2017	10,660	\$1,269,919.37
87	2017	18,669	\$2,046,898.91
88	2017	19,241	\$2,516,589.65
89	2017	18,661	\$2,713,408.81
90	2017	24,599	\$3,236,608.53
91	2017	17,063	\$1,836,050.45
92	2017	12,455	\$1,964,668.12
93	2017	24,663	\$4,102,956.21
94	2017	9,498	\$1,223,893.18
95	2017	14,340	\$1,871,994.10
96	2017	16,651	\$1,908,273.46
97	2018	11,462	\$1,460,200.01
98	2018	22,476	\$2,481,393.40
99	2018	11,019	\$1,517,086.84
100	2018	16,169	\$2,639,040.60
101	2018	10,737	\$1,644,675.91
102	2018	15,953	\$1,719,756.99
103	2018	13,316	\$1,856,576.06
104	2018	17,242	\$2,209,549.44
105	2018	18,899	\$2,057,564.42
106	2018	22,031	\$1,778,670.71
107	2018	12,495	\$1,555,136.76
108	2018	12,605	\$1,449,472.57
109	2018	7,932	\$1,245,465.58

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
110	2018	12,955	\$1,180,154.37
111	2018	24,132	\$3,576,853.09
112	2018	19,204	\$2,986,573.84
113	2018	10,019	\$1,871,686.98
114	2019	16,760	\$2,104,564.26
115	2019	18,133	\$2,159,607.87
116	2018	19,590	\$2,929,949.78
117	2019	40,388	\$4,908,903.95
118	2019	15,516	\$2,237,587.03
119	2019	13,717	\$1,644,667.67
120	2019	22,690	\$2,780,100.12
121	2019	6,309	\$811,655.44
122	2019	1,740	\$256,990.82
123	2019	13,649	\$1,703,562.06
124	2019	7,667	\$867,624.30
125	2019	13,148	\$1,566,007.08
126	2019	11,616	\$1,341,999.20
127	2019	15,545	\$1,868,318.96
128	2019	17,560	\$2,285,108.29
129	2019	12,055	\$1,843,261.16
130	2019	7,821	\$1,340,386.07
131	2019	8,759	\$1,163,430.80
132	2019	17,499	\$2,588,332.01
133	2019	11,553	\$1,880,128.59
134	2019	13,181	\$2,462,579.80
135	2019	12,643	\$2,051,862.53
136	2019	3,129	\$582,906.42
137	2019	29,999	\$4,200,917.65
138	2020	24,506	\$2,895,724.61
139	2020	13,648	\$1,525,445.88
140	2020	12,319	\$1,754,833.69
141	2020	14,722	\$1,905,472.51
142	2020	11,323	\$1,900,031.26

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
143	2020	20,504	\$2,364,352.77
144	2020	9,118	\$977,617.35
145	2020	11,209	\$1,302,541.37
146	2020	18,722	\$2,443,319.85
147	2020	9,223	\$1,396,159.39
148	2020	8,845	\$1,259,417.78
149	2020	10,612	\$1,556,314.96
150	2020	13,736	\$1,523,639.23
151	2020	9,963	\$1,431,535.33
152	2020	14,461	\$2,321,115.36
153	2020	4,806	\$848,278.42
154	2020	17,814	\$2,015,724.24
155	2020	9,872	\$1,314,069.54
156	2020	13,396	\$1,779,323.09
157	2021	10,962	\$1,492,013.30
158	2021	11,146	\$1,429,176.18
159	2021	8,271	\$1,080,239.63
160	2021	15,410	\$2,482,265.58
161	2021	18,299	\$2,327,680.23
162	2021	12,416	\$1,682,484.86
163	2021	16,035	\$2,305,047.39
164	2021	9,649	\$1,288,384.54
165	2021	10,828	\$1,589,663.09
166	2021	7,928	\$1,347,456.87
167	2021	8,368	\$987,893.44
168	2021	7,861	\$839,005.43
169	2021	11,387	\$1,273,793.94
170	2021	11,061	\$1,555,902.23
171	2021	10,490	\$1,848,520.05
172	2021	9,613	\$1,504,230.34
173	2021	15,287	\$1,480,770.70
174	2021	13,156	\$1,623,863.42
175	2021	17,087	\$2,684,647.44

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
176	2021	9,082	\$1,497,034.86
177	2021	8,728	\$1,560,274.71
178	2021	23,056	\$4,184,104.49
179	2021	4,954	\$873,808.86
180	2021	9,571	\$1,395,636.20
181	2022	7,553	\$1,071,823.56
182	2022	18,791	\$2,372,406.32
183	2022	9,007	\$1,163,728.14
184	2022	7,772	\$901,044.02
185	2022	10,869	\$1,689,858.94
186	2022	9,258	\$942,378.48
187	2022	6,983	\$862,172.25
188	2022	11,319	\$1,377,740.33
189	2022	15,959	\$2,162,262.95
190	2022	12,043	\$1,615,269.36
191	2022	14,573	\$1,372,362.58
192	2022	12,945	\$1,450,545.44
193	2022	9,598	\$994,502.19
194	2022	5,314	\$750,161.42
195	2022	7,636	\$1,127,135.22
196	2022	4,902	\$686,796.08
197	2022	4,977	\$809,253.91
198	2022	9,827	\$1,233,655.65
199	2022	20,867	\$3,260,417.15
200	2022	6,116	\$841,335.67
201	2022	10,119	\$1,442,809.87
202	2022	4,457	\$632,665.43
203	2022	10,166	\$1,806,278.79
204	2022	6,710	\$1,090,235.29
205	2022	6,561	\$1,007,647.23
206	2022	13,980	\$1,888,868.10
207	2022	9,666	\$1,596,400.53
208	2022	11,697	\$1,259,426.37

	<u>Year of First Operation</u>	<u>Total Number of Patients Seen in Fiscal Year 2023 Ending 11/30/2023</u>	<u>Net Payments in Fiscal Year 2023 Ending 11/30/2023</u>
209	2022	6,991	\$962,506.24
210	2022	10,899	\$1,726,046.87
211	2022	6,396	\$1,063,753.52
212	2022	12,901	\$2,380,253.26
213	2022	8,932	\$941,643.11
214	2022	9,768	\$1,381,599.72
215	2022	11,996	\$1,351,990.06
TOTALS	215	3,002,796	\$408,333.468

TABLE 1.B. FRANCHISED CENTERS

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

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

Table**TABLE 2—2023****A. AFFILIATE OWNED CENTERS**

Net Payments Grouped by Year of First Operation

<u>Vintage</u>	<u># of Centers</u>	<u>Average Cash Revenue ("ACR")</u>	<u>Median Cash Revenue</u>	<u>Highest and Lowest Cash Revenue</u>	<u>No./% of Centers that met or exceeded</u>	<u>Average Annual Visit ("AAV")</u>	<u>Median Annual Visit</u>	<u>No./% of Centers that met or exceeded</u>	<u>Average Patients Per Day ("PPD")</u>	<u>Median PPD</u>	<u>No./% of Centers that met or exceeded average PPD</u>

					<u>the ACR</u>			<u>AAV</u>			
<u>2020 and prior</u>	<u>72</u>	<u>\$1,782,724</u>	<u>\$1,812,277</u>	<u>\$3,284,470 - \$729,432</u>	<u>39 / 54%</u>	<u>14,395</u>	<u>13,859</u>	<u>32 / 44%</u>	<u>40.0</u>	<u>38.5</u>	<u>32 / 44%</u>
<u>2021-2023</u>	<u>6</u>	<u>\$1,531,974</u>	<u>\$1,442,847</u>	<u>\$2,037,494 - \$1,294,911</u>	<u>2 / 33%</u>	<u>12,389</u>	<u>10,985</u>	<u>2 / 33%</u>	<u>34.4</u>	<u>30.5</u>	<u>2 / 33%</u>
<u>ALL</u>	<u>78</u>	<u>\$1,763,435</u>	<u>\$1,793,289</u>	<u>\$3,284,470 - \$729,432</u>	<u>41 / 53%</u>	<u>14,241</u>	<u>13,805</u>	<u>33 / 42%</u>	<u>39.6</u>	<u>38.4</u>	<u>33 / 42%</u>

TABLE 2.B. FRANCHISED CENTERS

<u>Year Center Opened</u> <u>Vintage</u>	<u># of Centers</u>	<u>Average Cash Revenue ("ACR")</u>	<u>Median Cash Revenue</u>	<u>Number of Centers in Group</u> <u>Highest and Lowest Cash Revenue</u>	<u>Average Net Payments in Fiscal Year Ending 11/30/2023</u> <u>No. / % of Centers that met or exceeded the ACR</u>	<u>Within Group: Number and % of Centers at or Above Average Net Payments Annual Visit ("AAV")</u>	<u>Median Net Payments in Fiscal Year Ending 11/30/2023</u> <u>Annual Visit</u>	<u>Average Number of Patients Seen in Fiscal Year Ending 11/30/2023</u> <u>3 Within Group: Number and No. / % of Centers at that met or Above Average Number of Patients exceeded AAV</u>	<u>Average Patients Per Day ("PPD")</u>	<u>Median PPD</u>	<u>Median Number of Patients Seen in Fiscal Year Ending 11/30/2023</u> <u>No. / % of Centers that met or exceeded average PPD</u>
<u>2009-2020 and prior</u>	<u>149</u>	<u>\$2,103,917</u>	<u>\$1,975,971</u>	<u>2 \$4,800,253 - \$133,675</u>	<u>\$ 1,802,554- 15-64 / 43%</u>	<u>1-Center; 50% 14,821</u>	<u>\$ 1,802,554- 15-14,161</u>	<u>16,374 1-Center; 50-69 / 46%</u>	<u>41.2</u>	<u>39.3</u>	<u>16374 69 / 46%</u>
<u>2010</u>	<u>9</u>	<u>\$1,630,112.88</u>	<u>\$1,630,112.88</u>	<u>\$1,630,112.88</u>	<u>\$1,630,112.88</u>	<u>5-Centers; 56%</u>	<u>\$1,767,113.09</u>	<u>\$1,767,113.09</u>	<u>13,324</u>	<u>5 Centers; 56%</u>	<u>13328</u>
<u>2011-2021-2023</u>	<u>121</u>	<u>\$1,369,405</u>	<u>\$1,178,466</u>	<u>9 \$3,963,353 - \$436,427</u>	<u>\$ 1,750,888-</u>	<u>3 Centers;</u>	<u>\$ 1,594,122-</u>	<u>13,402 4-Centers;</u>	<u>27.8</u>	<u>25.4</u>	<u>11697 50 / 41%</u>

					<u>76,520</u> / <u>43%</u>	<u>33%</u> <u>9,990</u>	<u>49,9,159</u>	<u>44</u> <u>50</u> / <u>41%</u>			
2012		12		\$2,076,349.96		5-Centers; 42%		\$1,948,240.78	14,118	Centers; 33.3%	12181
2013		9		\$2,798,111.54		5-Centers; 56%		\$3,332,221.29	18,651	Centers; 33.3%	17831
2014	<u>AL</u> <u>L</u>	<u>270</u>	<u>\$1,774,747</u>	<u>\$1,638,106</u>	<u>\$4,800,253</u> - <u>\$133,675</u>	<u>\$2,044,782.72</u> <u>112</u> / <u>41%</u>	6 Centers; 46% <u>12,656</u>	<u>\$1,829,034.66</u> <u>11,615</u>	15,630 5-Centers; 38 <u>118</u> / <u>44%</u>	<u>35.2</u> <u>32.3</u>	<u>13187</u> <u>118</u> / <u>44%</u>
2015		6		\$2,544,373.57		4-Centers; 67%		\$2,793,429.25	19,306	Centers; 67%	20787
2016		19		\$2,401,102.12		9-Centers; 47%		\$2,223,048.30	16,860	Centers; 47%	16713
2017		17		\$2,109,099.22		5-Centers; 29%		\$1,960,087.79	15,681	Centers; 53%	15800

TABLE 2.C. SYSTEMWIDE CENTERS

<u>Year</u> <u>Center</u> <u>Opened</u> <u>Vintage</u>	<u># of</u> <u>Centers</u>	<u>Average</u> <u>Cash</u> <u>Revenue</u> <u>("ACR")</u>	<u>Median</u> <u>Cash</u> <u>Revenue</u>	<u>Highest and</u> <u>Lowest Cash</u> <u>Revenue</u>	<u>Average</u> <u>Net</u> <u>Payments</u> <u>in Fiscal</u> <u>Year 2023</u> <u>Ending</u> <u>11/30/2023</u> <u>Number</u> <u>No./% of</u> <u>Centers in</u> <u>Group that</u> <u>met or</u> <u>exceeded</u> <u>the ACR</u>	<u>Within</u> <u>Group:</u> <u>Number</u> <u>and -% of</u> <u>Centers</u> <u>at or</u> <u>Above</u> <u>Average</u> <u>Net</u> <u>Payments</u> <u>Annual</u> <u>Visit</u> <u>("AAV")</u>	<u>Median</u> <u>Annual</u> <u>Visit</u>	<u>Median</u> <u>Net</u> <u>Payments</u> <u>in Fiscal</u> <u>Year</u> <u>2023</u> <u>Ending</u> <u>11/30/2023</u> <u>3</u> <u>Average</u> <u>Number</u> <u>No./% of</u> <u>Patients</u> <u>Seen in</u> <u>Fiscal</u> <u>Year</u> <u>2023</u>	<u>Within</u> <u>Group:</u> <u>Number</u> <u>and -% of</u> <u>Centers at</u> <u>or Above</u> <u>Average</u> <u>Number of</u> <u>Patients Per</u> <u>Day</u> <u>("PPD")</u>	<u>Median</u> <u>PPD</u>	<u>Median Number of</u> <u>Patients Seen in</u> <u>Fiscal Year 2023</u> <u>Ending</u> <u>11/30/2023</u> <u>No./% of</u> <u>Centers that met or</u> <u>exceeded average PPD</u>

								Ending 11/30/202 <u>3Centers</u> <u>that met or</u> <u>exceeded</u> <u>AAV</u>			
2018 <u>20</u> <u>20 and</u> <u>prior</u> <u>2019</u> <u>17</u> <u>24</u>	<u>221</u>	\$ <u>1,954,69</u> <u>7.50</u> <u>1,999,275</u>	\$ <u>1,982,518</u> <u>.83</u> <u>1,881,707</u>	<u>\$4,800,253 -</u> <u>\$133,675</u>	<u>6-Centers;</u> <u>35.289 /</u> <u>40%</u>	<u>14,682</u>	<u>13,904</u>	<u>11</u> <u>Centers;1</u> <u>01 /</u> <u>46%</u> <u>\$1,77</u> <u>8,670.71</u> <u>\$1,874.2</u> <u>23.78</u>	<u>40.8</u> <u>15,214</u> <u>14,611</u>	<u>38.6</u>	<u>8-Centers; 47</u> <u>101 /</u> <u>46%</u> <u>10-Centers; 42%</u> <u>13415</u> <u>13316</u>
2020 <u>20</u> <u>21-2023</u>	<u>127</u>	<u>\$1,377,086</u>	<u>\$1,294,911</u>	<u>\$3,963,353 -</u> <u>\$436,427</u>	<u>19</u> <u>\$1,711,31</u> <u>1.40-56 /</u> <u>44%</u>	<u>9-Centers;</u> <u>47%</u> <u>10.10</u> <u>4</u>	<u>9,262</u>	<u>\$1,556,3</u> <u>14.96</u> <u>13,09554 /</u> <u>43%</u>	<u>9-Centers;</u> <u>47%</u> <u>28.1</u>	<u>25.7</u>	<u>12319</u> <u>54 / 43%</u>
2021 <u>AL</u> <u>L</u> <u>2022</u> <u>24</u> <u>35</u>	<u>348</u>	\$ <u>1,680,57</u> <u>9.07</u> <u>1,772,212</u>	\$ <u>1,349,056</u> <u>.40</u> <u>1,673,227</u>	<u>\$4,800,253 -</u> <u>\$133,675</u>	<u>7-Centers;</u> <u>29</u> <u>155 /</u> <u>45%</u>	<u>13,011</u>	<u>12,451</u>	<u>16</u> <u>Centers;</u> <u>46</u> <u>158 /</u> <u>45%</u> <u>\$1,50</u> <u>0,632.60</u> <u>\$1,233,6</u> <u>55.65</u>	<u>36.1</u> <u>11,694</u> <u>9,930</u>	<u>34.6</u>	<u>8-Centers; 33.3</u> <u>159 /</u> <u>46%</u> <u>15-Centers; 43%</u> <u>10895</u> <u>9666</u>

Notes:

1. ~~The sample includes franchisees who were managing Centers that were operating for all of 2023. Each Center has been assigned a number (1 through 215) solely for purposes of providing the data in this Item 19, rather than identifying the specific location of each Center.~~

1. “Cash Revenue” means the total revenue received by a Center during calendar year 2024, including all revenue received from the PC and from the offer and sales of all services (and products) to customers of the Centers, but excluding revenue for 2024 visits that were not collected in calendar year 2024. Cash Revenue is calculated differently than Net Payments (i.e., the amount that we use to calculate royalty payments). “Average Cash Revenue” means total Cash Revenue of all Centers in any category of the Data Set divided by the total number of Centers in such category.

~~2. “Net Payments”—This represents the actual net payments for each Center in the sample for the period December 1, 2022, to November 30, 2023. Included in franchisee’s net payments are all revenues received from the PC under the Management Agreement, and from the offer and sales of all services (and products) to customers of the Centers. The Net Payments figures of franchisees are compiled by using sales that the franchisees reported to us. We have not audited or verified their reports, nor have franchisees confirmed that their reports used in the tables above are prepared in accordance with generally accepted accounting principles, or whether the method they used for calculating Net Payments is the same as we will use for “Net Payments”.~~

~~32. The Number of Patient~~ “Annual Visits reflects” means the total number of patient visits (each visit by each person is 1 visit) ~~who visited the~~for a Center during ~~the sample time period~~calendar year 2024. The physicians of each Center determine how many patients a physician must see in a given period or how many hours a physician must work each day. “Average Annual Visits” means the total Annual Visits of all Centers in any category of the Data Set divided by the total number of Centers in such category.

~~* * *~~

3. “PPD” of a Center means Annual Visits of such Center divided by 360. “Average PPD” means the total PPD of all Centers in any category of the Data Set divided by the total number of Centers in such category.

~~The data above does not reflect the costs of sales, costs of goods, rent and occupancy costs, wage and employee benefits costs, debt service, insurance, royalties and marketing fees, facilities and property maintenance; business and regulatory fees and licenses; recruitment expenses; legal and accounting fees; and bookkeeping and other professional services, or any other operating expenses or any other costs or expenses that must be deducted from “Net Payments” or gross revenue or gross sales to obtain a net income or net profit figure. Franchisees are not required to report this data to us, and we do not have these operating costs for franchisees.~~

4. Median is the middle point of the Data Set when arranged in ascending order. For any category that has an even number of values, the median is the average of the two middle values when arranged in ascending order.

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

~~You are strongly encouraged to consult with your own financial advisors in reviewing the tables and in particular in estimating your sales (and the revenue of the PC/Center) as well as the types and amounts of costs and expenses that you will or may incur in operating your own Franchised Business.~~

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

Other than the preceding financial performance representation, ~~AFCF does~~we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting ~~Jason Badyrka, Chief Operations Officer~~the Legal Department, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLET'S AND FRANCHISEE INFORMATION

Table 1
System-wide Franchise Outlet Summary
For years 20212022 to 20232024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
~~Franchised~~	~~2021~~	~~174~~	~~177~~	~~+3~~
<u>Franchised</u>	2022	~~177~~ <u>176</u>	217	~~+40~~ <u>+41</u>
	2023	217	~~280~~ <u>275</u>	~~+63~~ <u>+58</u>
~~Company-Owned~~	~~2021~~ <u>2024</u>	~~0~~ <u>275</u>	~~0~~ <u>304</u>	~~0~~ <u>+29</u>
<u>Company-Owned*</u>	2022	~~0~~ <u>78</u>	~~0~~ <u>79</u>	~~0~~ <u>+1</u>
	2023	~~0~~ <u>79</u>	~~0~~ <u>82</u>	~~0~~ <u>+3</u>
Total Outlets	~~2021~~ <u>2024</u>	~~174~~ <u>82</u>	~~177~~ <u>82</u>	~~+3~~ <u>+0</u>
<u>Total Outlets</u>	2022	~~177~~ <u>254</u>	~~217~~ <u>296</u>	~~+40~~ <u>+42</u>
	2023	~~217~~ <u>296</u>	~~280~~ <u>357</u>	~~+63~~ <u>+61</u>
	<u>2024</u>	<u>357</u>	<u>386</u>	<u>+29</u>

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

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

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 20212022 to 20232024*

State	Year	Number of Transfers
~~California~~	~~2021~~	~~0~~
<u>California</u>	2022	2
	2023	2
~~Connecticut~~	~~2021~~	~~7~~
	~~2022~~ <u>2024</u>	0
	~~2023~~	~~0~~
~~Florida~~	~~2021~~	~~1~~
<u>Florida</u>	2022	0
	2023	11
~~Illinois~~	~~2021~~ <u>2024</u>	0
<u>Illinois</u>	2022	2
	2023	1
~~Iowa~~	~~2021~~ <u>2024</u>	0
<u>Iowa</u>	2022	0
	2023	1
~~Maryland~~	~~2021~~ <u>2024</u>	0

State	Year	Number of Transfers
Missouri	2022	0
	~~2023~~	~~0~~
~~Massachusetts~~	~~2021~~	~~10~~
	2022	0
	~~2023~~	~~0~~
~~Missouri~~	~~2021~~	~~2~~
	2022	0
	2023	0
~~Nebraska~~	~~2021~~ 2024	~~0~~ 1
New Hampshire	2022	0
	2023	0
~~New Jersey~~	~~2021~~ 2024	1
New York	2022	0
	~~2023~~	~~0~~
~~New York~~	~~2021~~	~~0~~
	2022	0
	2023	2
~~North Carolina~~	~~2021~~ 2024	~~0~~ 1
North Carolina	2022	0
	2023	1
~~Pennsylvania~~	~~2021~~ 2024	~~0~~ 2
Pennsylvania	2022	1
	2023	0
~~Texas~~	~~2021~~ 2024	~~0~~ 1
Texas	2022	0
	2023	1
~~South Carolina~~	~~2021~~ 2024	0
South Carolina	2022	0
	2023	10
~~Virginia~~	~~2021~~ 2024	0
Virginia	2022	0
	2023	0
Total	~~2021~~ 2024	~~21~~ 2
Total	2022	5
	2023	29
	2024	8

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

Table 3

Status of Franchised Outlet's
For years ~~2021~~2022 to ~~2023~~2024**

State	Year	Outlets at Start of Year	Outlets Opened*	Terminations*	~~Non-Renewals~~ Renewals*	Reacquired by Franchisor*	Ceased Operations Other Reasons*	Outlets at End of the Year
~~California~~	~~2021~~	~~12~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~13~~
California	2022	~~13~~ 11	~~24~~	0	0	0	0	15
	2023	15	5	1	0	0	0	19
~~Colorado~~	~~2021~~ 2024	~~12~~ 19	~~30~~	0	0	0	0	~~15~~ 19
Colorado	2022	15	~~43~~	0	0	0	0	~~19~~ 18
	2023	~~19~~ 18	4	0	0	0	0	~~23~~ 22
~~Connecticut~~	~~2021~~ 2024	~~13~~ 22	~~12~~	~~1~~ 0	0	~~7~~ 0	0	~~6~~ 24
Connecticut	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
~~Florida~~	~~2021~~ 2024	~~10~~ 7	~~31~~	0	0	~~1~~ 0	0	~~12~~ 8
Florida	2022	12	1	0	0	0	1	12
	2023	12	2	0	0	0	~~0~~ 3	~~14~~ 11
~~Georgia~~	~~2021~~ 2024	~~11~~	~~0~~ 5	~~0~~ 1	0	0	0	~~1~~ 15
Georgia	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
~~Idaho~~	~~2021~~ 2024	~~13~~	~~21~~	0	0	0	0	~~34~~
Idaho	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
~~Illinois~~	~~2021~~ 2024	~~14~~	0	~~0~~ 4	0	0	0	~~1~~ 0
Illinois	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
~~Iowa~~	~~2021~~ 2024	~~0~~ 3	0	0	0	0	0	~~0~~ 3
Iowa	2022	0	0	0	0	0	0	0
	2023	0	1	1	0	0	0	0
~~Kansas~~	~~2021~~ 2024	~~1~~ 0	0	0	0	0	0	~~1~~ 0
Kansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
~~Maine~~	~~2021~~ 2024	1	0	0	0	0	0	1
Maine	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
~~Maryland~~	~~2021~~ 2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened*	Termi- nations *	~~Non~~ ~~Renewals~~ ~~Renewals*~~	Reacquired by Franchisor *	Ceased Operations Other Reasons*	Outlets at End of the Year
Maryland	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
~~Massachusetts~~	~~2021~~ 2024	~~21~~ 1	~~0~~ 1	~~3~~ 0	0	~~6~~ 0	0	~~12~~ 2
Massachusetts	2022	12	0	0	0	0	0	12
	2023	12	2	0	0	0	0	14
~~Michigan~~	~~2021~~ 2024	~~1~~ 14	~~0~~ 2	0	0	0	0	~~1~~ 16
Michigan	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
~~Minnesota~~	~~2021~~ 2024	~~0~~ 5	~~0~~ 1	0	0	0	0	~~0~~ 6
Minnesota	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
~~Mississippi~~	~~2021~~ 2024	~~0~~ 2	0	0	0	0	0	~~0~~ 2
Mississippi	2022	0	~~1~~ 2	0	0	0	0	~~1~~ 2
	2023	~~1~~ 2	~~1~~ 0	0	0	0	0	2
~~Missouri~~	~~2021~~ 2024	2	0	0	0	0	~~0~~ 1	~~2~~ 1
Missouri	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
~~Nebraska~~	~~2021~~ 2024	~~1~~ 2	~~0~~ 1	0	0	0	0	~~1~~ 3
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
~~New Jersey~~	~~2021~~ 2024	~~15~~ 1	~~5~~ 0	0	0	0	0	~~20~~ 1
Nevada	2022	~~20~~ 0	~~5~~ 0	0	0	0	0	~~25~~ 0
	2023	~~25~~ 0	~~1~~ 0	0	0	0	0	~~36~~ 0
	2024	0	1	0	0	0	0	1
New Hampshire	2022	0	0	0	0	0	0	0
~~New Mexico~~	~~2021~~ 2023	~~1~~ 0	0	0	0	0	0	~~1~~ 0
	2024	0	1	0	0	0	0	1
New Jersey	2022	21	5	0	0	0	0	26
	2023	26	11	1	0	0	0	36
	2024	36	5	0	0	0	0	41
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened*	Termi- nations *	~~Non~~ ~~Non-Rene~~ ~~wals~~ ~~Rene~~ ~~wals~~ *	Reacquired by Franchisor *	Ceased Operations Other Reasons*	Outlets at End of the Year
~~New York~~	~~2021~~ <u>202</u> <u>4</u>	~~12~~ <u>1</u>	~~1~~ <u>0</u>	0	0	0	0	~~13~~ <u>1</u>
<u>New York</u>	2022	13	5	0	0	0	0	18
	2023	18	5	1	0	0	0	22
~~North Carolina~~	~~2021~~ <u>202</u> <u>4</u>	~~7~~ <u>22</u>	~~3~~ <u>1</u>	0	0	0	0	~~10~~ <u>23</u>
<u>North Carolina</u>	2022	10	~~8~~ <u>7</u>	0	0	0	0	~~18~~ <u>17</u>
	2023	~~18~~ <u>17</u>	2	0	0	0	0	~~20~~ <u>19</u>
~~Ohio~~	~~2021~~ <u>202</u> <u>4</u>	~~0~~ <u>19</u>	~~1~~ <u>4</u>	0	0	0	0	~~1~~ <u>23</u>
<u>Ohio</u>	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
~~Oregon~~	~~2021~~ <u>202</u> <u>4</u>	~~5~~ <u>3</u>	~~0~~ <u>1</u>	0	0	0	0	~~5~~ <u>4</u>
<u>Oregon</u>	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
~~Pennsylvania~~	~~2021~~ <u>202</u> <u>4</u>	~~14~~ <u>6</u>	~~1~~ <u>0</u>	0	0	0	0	~~15~~ <u>6</u>
<u>Pennsylvania</u>	2022	15	2	0	0	0	0	17
	2023	17	10	0	0	0	0	27
~~South Carolina~~	~~2021~~ <u>202</u> <u>4</u>	~~15~~ <u>27</u>	0	~~0~~ <u>2</u>	0	0	0	~~15~~ <u>25</u>
<u>South Carolina</u>	2022	15	0	0	0	0	0	15
	2023	15	0	0	0	0	0	15
~~Tennessee~~	~~2021~~ <u>202</u> <u>4</u>	~~11~~ <u>15</u>	~~0~~ <u>2</u>	0	0	0	0	~~11~~ <u>17</u>
<u>Tennessee</u>	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
~~Texas~~	~~2021~~ <u>202</u> <u>4</u>	11	~~0~~ <u>2</u>	0	0	0	0	~~11~~ <u>13</u>
<u>Texas</u>	2022	11	5	0	0	0	0	16
	2023	16	12	0	0	0	0	28
~~Virginia~~	~~2021~~ <u>202</u> <u>4</u>	~~4~~ <u>28</u>	~~0~~ <u>4</u>	0	0	0	0	~~4~~ <u>32</u>
<u>Virginia</u>	2022	4	3	0	0	0	0	7
	2023	7	1	0	0	0	0	8
~~Washington~~	~~2021~~ <u>202</u> <u>4</u>	~~1~~ <u>8</u>	~~0~~ <u>2</u>	0	0	0	0	~~1~~ <u>10</u>
<u>Washington</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	~~2021~~ <u>202</u> <u>4</u>	~~174~~ <u>1</u>	~~21~~ <u>0</u>	~~4~~ <u>0</u>	0	~~14~~ <u>0</u>	0	~~177~~ <u>1</u>
<u>Totals</u>	2022	~~177~~ <u>176</u>	~~41~~ <u>42</u>	0	0	0	1	217
	2023	217	~~66~~ <u>65</u>	~~3~~ <u>4</u>	0	0	~~0~~ <u>3</u>	~~280~~ <u>275</u>

State	Year	Outlets at Start of Year	Outlets Opened*	Terminations*	~~Non-Renewals~~ <u>Renewals*</u>	Reacquired by Franchisor*	Ceased Operations Other Reasons*	Outlets at End of the Year
	<u>2024</u>	<u>275</u>	<u>37</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>304</u>

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

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

Table 4
Status of Company-~~Owned~~ Owned Outlets
For years ~~2021~~2022 to ~~2023~~2024*

State	Year	Outlets at Start of the Year	Outlet's Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
~~Totals~~ <u>Alabama</u>	~~2021~~ <u>2022</u>	~~0~~ <u>42</u>	0	0	0	0	~~0~~ <u>42</u>
	<u>2023</u>	<u>42</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44</u>
	<u>2024</u>	<u>44</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>45</u>
<u>Connecticut</u>	<u>2022</u>	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	~~2022~~ <u>2023</u>	~~0~~ <u>10</u>	0	0	0	0	~~0~~ <u>10</u>
	<u>2024</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>Florida</u>	~~2023~~ <u>2022</u>	~~0~~ <u>4</u>	0	0	0	0	~~0~~ <u>4</u>
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2024</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Georgia</u>	<u>2022</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>3</u>
<u>Massachusetts</u>	<u>2022</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2023</u>	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2024</u>	<u>10</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>
<u>Tennessee</u>	<u>2022</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2023</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
	<u>2024</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
<u>Totals</u>	<u>2022</u>	<u>78</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>79</u>
	<u>2023</u>	<u>79</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>82</u>
	<u>2024</u>	<u>82</u>	<u>4</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>82</u>

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

Table 5
Projected Openings as of ~~Nov~~December 30, 2023, for the Calendar Year 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected ~~New Company-Owned~~ Parent-Owned Outlets In The Next Year
~~Arizona~~ California	~~0~~ 18	~~0~~ 8	0
~~California~~ Colorado	~~1~~ 78	~~1~~ 03	0
~~Colorado~~	~~1~~ 0	~~7~~	~~0~~
~~Connecticut~~	~~1~~	~~1~~	~~0~~
~~Florida~~	~~1~~ 2	~~8~~	~~0~~
~~Georgia~~ Florida	~~5~~ 6	2	0
~~Idaho~~ Georgia	~~0~~ 3	0	0
Illinois	~~1~~ 2	~~1~~ 2	0
Maryland	1	1	0
Massachusetts	~~7~~ 6	4	0
~~Michigan~~ New Jersey	~~1~~ 18	~~0~~ 7	0
~~Minnesota~~	~~0~~	~~0~~	~~0~~
~~Mississippi~~	~~0~~	~~0~~	~~0~~
~~Missouri~~	~~1~~	~~1~~	~~0~~
~~Nevada~~	~~2~~	~~1~~	~~0~~
~~New Hampshire~~	~~2~~	~~0~~	~~0~~
~~New Jersey~~ York	~~14~~ 10	~~8~~ 3	0
~~New York~~ North Carolina	~~8~~ 2	~~6~~ 0	0
~~North Carolina~~ Oregon	~~6~~ 1	~~5~~ 1	0
~~Ohio~~	~~0~~	~~0~~	~~0~~
~~Oregon~~ Pennsylvania	~~0~~ 6	~~0~~ 4	0
~~Pennsylvania~~ South Carolina	~~3~~ 0	1	0
~~South Carolina~~ Tennessee	~~3~~ 1	~~3~~ 1	0
~~Tennessee~~ Texas	~~2~~ 6	~~2~~ 1	0
~~Texas~~	~~8~~	~~4~~	~~0~~
Vermont	1	~~1~~ 0	0
Virginia	~~5~~ 6	~~3~~ 0	0
Washington	~~2~~ 3	~~0~~ 2	0
Total	~~11~~ 298	~~6~~ 938	0

The names, addresses, and telephone numbers of the current franchisees ~~in~~of the ~~AFCF-franchise system as of November 30, 2023,~~Centers appear in Exhibit ~~FE~~.

~~Any~~The names, addresses, and telephone numbers of franchisees who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the ~~2023~~2024 fiscal year or have not communicated with us within 10 weeks of the date of this disclosure document are identified on Exhibit ~~GE~~. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 years, we have had franchisees that have signed agreements with confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with ~~AFC Franchising~~us or our affiliates. You may wish to speak with

current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

As of the date of this franchise disclosure document, ~~there are no franchisees~~we are not aware of any associations ~~that we know of in existence regardless of whether or not they use our trademark~~formed by our franchisees.

ITEM 21

FINANCIAL STATEMENTS

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

~~The following financial statement is attached to this disclosure document as Exhibit H:~~

~~The audited financial statements for our fiscal years ending November 30, 2023, November 30, 2022, and November 30, 2021, and the unaudited financial statements for our most recently ended quarter, if available.~~

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

ITEM 22

CONTRACTS

The following contracts are attached to this disclosure document:

- Form of Franchise Agreement (Exhibit A)
- Form of Area Development Agreement (Exhibit ~~A-1~~B)
- ~~Management Agreement (Exhibit B) — including state specific appendix as applicable for California, Florida, Illinois and New York~~
- Form of Conversion Addendum (Exhibit C)
- ~~Amendment to Waive Management Agreement (Exhibit M)~~
- Form of General Release (Exhibit ~~NH~~I)
- State-Specific Addenda and Rider (Exhibit I)

ITEM 23

RECEIPTS

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

EXHIBIT A

FFRANCHISE AGREEMENT



AFC FRANCHISING, LLC

FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

TERRITORY & LOCATION ADDRESS

EDITION DATE: March 1, 2024

TABLE OF CONTENTS

	<u>Page</u>
1. GRANT OF FRANCHISE; TERRITORY	4
1.1 ~~GRANT OF FRANCHISE~~ Grant of Franchise	4
1.2 ~~PROFESSIONAL CORPORATION UNDER MANAGEMENT; SERVICES~~ Professional Corporation Under Management; Services	4
1.3 ~~TERRITORIAL RIGHTS~~ Limited Territorial Rights	5
1.4 ~~RIGHTS WE RESERVE~~ Rights We Reserve	5
1.5 ~~MODIFICATION OF SYSTEM~~ Modification of System	6
1.6 ~~CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP~~ Corporation, Limited Liability Company, or Partnership	6
2. OPENING OF ~~FRANCHISED BUSINESS~~CENTER, LOCATION ~~APPROVAL~~ACCEPTANCE, LEASE OF PREMISES, AND DEVELOPMENT	7
2.1 ~~LOCATION ACCEPTANCE~~ Location Acceptance	7
2.2 ~~FRANCHISED BUSINESS DEVELOPMENT~~ Center Development	7
2.3 ~~OPERATING ASSETS~~ Operating Assets	8
2.4 ~~COMPUTER SYSTEM~~ Computer System	8
2.5 ~~OPENING OF FRANCHISED BUSINESS~~ Opening of Center	9
3. FEES	10
3.1 ~~INITIAL FRANCHISE FEE~~ Initial Franchise Fee	10
3.2 ~~CONTINUING SERVICE AND ROYALTY FEE~~ Royalty Fee	10
3.3 ~~NET PAYMENTS~~ Net Payments	10
3.4 ~~LATE FEES AND INTEREST~~ Marketing Fee	10
3.5 ~~APPLICATION OF PAYMENTS~~ Technology Fee & Annual Software Training Fee	10
3.6 ~~METHOD OF PAYMENT~~ Construction Management Service Fee	11
3.7 ~~PAYMENT OF TAXES~~ Reimbursement of Costs	11
3.8 ~~MARAKETING FEE~~ Late Fees and Interest	11
3.9 ~~OTHER FEES~~ Application of Payments	11
3.10 Method of Payment	11
3.11 Payment of Taxes	12
3.12 No Referral Fee, Gratuities, or Gifts	12
4. TRAINING AND ASSISTANCE	11
4.1 ~~INITIAL TRAINING AND CENTER ADMINISTRATOR~~ Initial Training and Center Administrator	12
4.2 ~~ONGOING TRAINING; TRAINING OF REPLACEMENT PERSONNEL~~ Ongoing Training; Training of Replacement Personnel	13
4.3 ~~GENERAL GUIDANCE~~ General Guidance	14
4.4 ~~OPERATIONS MANUAL~~ Operations Manual	14
4.5 ~~DELEGATION OF PERFORMANCE~~ Delegation of Performance	14

	~~4.6~~	~~FRANCHISEE COUNCIL~~	~~13~~
5.		MARKS	~~14~~15
	5.1	~~OWNERSHIP AND GOODWILL OF MARKS~~ <u>Ownership and Goodwill of Marks and System</u>	~~14~~ 15
	5.2	~~LIMITATIONS ON YOUR USE OF MARKS~~ <u>Limitations on Your Use of Marks</u>	~~14~~ 15
	5.3	~~NOTIFICATION OF INFRINGEMENTS AND CLAIMS~~ <u>Notification of Infringements and Claims</u>	~~14~~ 15
	5.4	~~DISCONTINUANCE OF USE OF MARKS~~ <u>Discontinuance of Use of Marks</u>	~~15~~ 16
	5.5	~~INDEMNIFICATION FOR USE OF MARKS~~ <u>Indemnification for Use of Marks</u>	~~15~~ 16
6.		CONFIDENTIAL INFORMATION	~~15~~16
7.		EXCLUSIVE RELATIONSHIP	~~16~~18
8.		SYSTEM STANDARDS	~~17~~18
	8.1	~~CONDITION AND APPEARANCE OF THE FRANCHISED BUSINESS~~ <u>Condition and Appearance of your Center</u>	~~17~~ 18
	8.2	~~FRANCHISED BUSINESS SERVICES, SPECIFICATIONS, STANDARDS AND PROCEDURES~~ <u>Center Services, Specifications, Standards and Procedures</u>	~~17~~ 19
	8.3	~~APPROVED PRODUCTS AND SUPPLIERS~~ <u>Approved Products and Suppliers</u>	~~18~~ 19
	8.4	~~COMPLIANCE WITH LAWS, LICENSURE REGULATIONS, AND GOOD BUSINESS PRACTICES~~ <u>Compliance with Laws, Licensure Regulations, and Good Business Practices</u>	~~18~~ 20
	8.5	~~MANAGEMENT OF THE FRANCHISED BUSINESS/CONFLICTING INTERESTS~~ <u>Management of your Center/Conflicting Interests</u>	~~19~~ 21
	8.6	~~INSURANCE~~ <u>Insurance</u>	~~20~~ 21
	8.7	~~COMPLIANCE WITH SYSTEM STANDARDS~~ <u>Compliance with System Standards</u>	~~20~~ 22
	8.8	~~MODIFICATION OF SYSTEM STANDARDS~~ <u>Modification of System Standards</u>	~~22~~ 23
9.		MARKETING	~~22~~24
	9.1	~~MARKETING CONTRIBUTIONS AND EXPENDITURES~~ <u>Marketing Contributions and Expenditures</u>	~~22~~ 24
	9.2	~~MARKETING FUND~~ <u>Marketing Fund</u>	~~22~~ 24
	9.3	~~BY YOU~~ <u>By You</u>	~~23~~ 26
	9.4	~~GRAND OPENING ADVERTISING PROGRAM~~ <u>Grand Opening Spend Requirement</u>	~~24~~ 26
	9.5	~~MARKET COOPERATIVE~~ <u>Market Cooperative</u>	~~24~~ 27
	9.6	~~APPROVALS~~ <u>Approvals</u>	~~25~~ 27
	9.7	~~WEBSITES~~ <u>Websites</u>	~~25~~ 28
10.		RECORDS, REPORTS, AND FINANCIAL STATEMENTS	~~26~~28

11.	INSPECTIONS AND AUDITS	26	29
11.1	~~OUR RIGHT TO INSPECT THE FRANCHISED BUSINESS~~ <u>Our Right to Inspect your Center</u>	26	29
11.2	~~OUR RIGHT TO AUDIT~~ <u>Our Right to Audit</u>	27	29
12.	TRANSFER	27	30
12.1	~~BY US~~ <u>By Us</u>	27	30
12.2	~~BY YOU~~ <u>By You</u>	27	30
12.3	~~CONDITIONS FOR APPROVAL OF TRANSFER~~ <u>Conditions for Approval of Transfer</u>	28	31
12.4	~~TRANSFER TO A WHOLLY-OWNED CORPORATION OR LIMITED LIABILITY COMPANY~~ <u>Your Death or Disability</u>	29	32
12.5	~~YOUR DEATH OR DISABILITY~~ <u>Our Right of First Refusal</u>	29	33
12.6	~~OUR RIGHT OF FIRST REFUSAL~~ <u>Effect of Consent to Transfer</u>	29	33
12.7	~~EFFECT OF CONSENT TO TRANSFER~~		30
13.	EXPIRATION OF THIS AGREEMENT; ~~RENEWAL~~ <u>SUCCESSOR FRANCHISE</u>	30	33
14.	TERMINATION OF AGREEMENT	31	34
14.1	~~AUTOMATIC TERMINATION~~ <u>Automatic Termination</u>	31	34
14.2	~~TERMINATION UPON NOTICE WITHOUT OPPORTUNITY TO CURE~~ <u>Termination Upon Notice Without Opportunity to Cure</u>	31	35
14.3	~~TERMINATION WITH OPPORTUNITY TO CURE~~ <u>Termination With Opportunity to Cure</u>	32	36
14.4	~~EXTENDED NOTICE OF TERMINATION~~ <u>Extended Notice of Termination</u>	33	37
14.5	~~REMEDIES OTHER THAN TERMINATION~~ <u>Remedies other than Termination</u>	33	37
15.	OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT	34	37
15.1	~~PAYMENT OF AMOUNTS OWED TO US~~ <u>Cease Operating and Payment of Amounts Owed to Us</u>	34	37
15.2	~~MARKS~~ <u>Marks</u>		34
15.3	~~CONFIDENTIAL INFORMATION~~ <u>Confidential Information</u>	35	38
15.4	~~COVENANT NOT TO COMPETE~~ <u>Covenant Not to Compete</u>	35	38
15.5	~~OUR RIGHT TO PURCHASE CERTAIN ASSETS OF THE FRANCHISED BUSINESS~~ <u>Our Right to Purchase Certain Assets of your Center</u>	35	39
15.6	~~CONTINUING OBLIGATIONS~~ <u>Continuing</u>	36	

	Obligations	40
	15.7 Lost Revenue Damages	40
16.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION	3641
	16.1 INDEPENDENT CONTRACTORS	36 Independent Contractors
	16.2 NO LIABILITY FOR ACTS OF OTHER PARTY	36 No Liability for Acts of Other Party
	16.3 TAXES	36 Taxes
	16.4 INDEMNIFICATION	37 Indemnification
17.	ENFORCEMENT	3742
	17.1 SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS	37 Severability and Substitution of Valid Provisions
	17.2 WAIVER OF OBLIGATIONS	37 Waiver of Obligations
	17.3 COSTS AND ATTORNEYS' FEES	38 Costs and Attorneys' Fees
	17.4 RIGHTS OF PARTIES ARE CUMULATIVE	38 Rights of Parties are Cumulative
	17.5 MEDIATION AND ARBITRATION	38 Mediation and Arbitration
	17.6 GOVERNING LAW	39 Governing Law
	17.7 CONSENT TO JURISDICTION	39 Consent to Jurisdiction
	17.8 WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL	39 Waiver of Punitive Damages, Class Action, and Jury Trial
	17.9 BINDING EFFECT	40 Limitations of Claims
	17.10 LIMITATIONS OF CLAIMS	40
~~17.11~~ 18.	OUR DISCRETION AND JUDGMENT	4046
~~17.12~~ 19.	CONSTRUCTION	4146
20.	BINDING EFFECT	47
~~18~~ 21.	NOTICES AND PAYMENTS	4147
~~19~~ 22.	COMPLIANCE WITH ANTI-TERRORISM LAWS	4148
23.	SECURITY INTEREST	48
24.	NO RECOURSE AGAINST NON-PARTY AFFILIATES	48
25.	SAFETY	48
~~20~~ 26.	ACKNOWLEDGMENTS	4149

EXHIBITS

EXHIBIT A	TERRITORY, INITIAL FEE AND ROYALTY
EXHIBIT B	SITE SELECTION ADDENDUM

EXHIBIT C	LISTING OF OWNERSHIP INTERESTS
EXHIBIT D	EDTA FORM
EXHIBIT E	GUARANTY AND ASSUMPTION OF OBLIGATIONS
<u>EXHIBIT F</u>	<u>REPRESENTATION AND ACKNOWLEDGEMENT STATEMENT</u>

AFC FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into as of the _____ day of _____, ~~20~~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, as a result of the expenditure of time, skill, and effort have developed (and continue to develop and modify) an urgent care center management system (“System”) relating to the management of urgent and/or accessible primary care centers that provide, through independent physicians and professionally licensed persons or entities, various levels of patient care services; all of which are provided by a physician, or medical personnel supervised by a physician, which include, without limitation, minor injuries, infections, workers compensation injuries, sports physicals, travel medicine, and colds and flu; and each center will be equipped with several exam rooms, X-Ray Equipment, on-site laboratory, and where permitted by law a pharmacy dispensing the most common urgent care medicine. As used herein, urgent care also includes accessible primary care.~~

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. The urgent care centers in the System operate under the “AFC and Design” and “AMERICAN FAMILY CARE” name and Marks and will be managed according to the System. The business that will manage a Center under the System is referred to in this Agreement as the “Franchised Business.” The System has characteristics that currently include providing construction design, approved supplier relationships for site selection, medical and other equipment, supplies, furniture and fixtures, procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications all of which we may change, improve, and further develop.~~

~~C. We use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark “AFC and Design” and “AMERICAN FAMILY CARE” in operating and managing Centers, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for Centers.~~

~~DB.~~ We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a ~~f~~Franchise (as defined below) to own and operate a ~~business that will manage a~~ Center using our System and the Marks.

~~EC.~~ Based on your own investigation and diligence, ~~Y~~you have applied to us to acquire a Franchise for the right to use the System Center. Your application has been approved by us in reliance upon all of the representations made in your application, including ~~those concerning your~~regarding your and your owners' business experience, liquidity, and financial ~~resources and the manner in which the Franchised Business will be owned and operated~~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, ~~and you must comply with this Agreement and all System Standards in order to maintain the high and consistent quality that is critical for Centers.~~

CERTAIN DEFINITIONS

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

"Allowances" – ~~manufacturing~~means allowances, ~~marketing allowances,~~ rebates, credits, monies, payments or benefits that are offered by suppliers to us based upon your purchases of required Pproducts and services.

"Annual Software Training Fee" – as defined in Section 3.5.

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

"Center(s)" – ~~American Family Care urgent and accessible primary care centers~~as defined in Recital A.

"Center Administrator" – means the person who oversees the day-to-day operations of ~~the~~your Center.

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

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

"Construction Management Services Fee" – as defined in Section 3.6.

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

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

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

~~**“Confidential Information”**—our trade secrets, manuals, and System and other information that you are given access to by virtue of this Agreement or otherwise that is not a matter of public knowledge.~~

~~**“Control”**—the power to direct or cause the direction of management and policies.~~

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

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

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

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

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

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

~~**“Franchised Business”**—the business that will manage the Center which includes all of the assets of the American Family Care Business you operate under this Agreement, including its revenue and any lease for the premises.~~

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

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

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

~~**“Initial Term”**—ten (10) years from the opening date~~**Licensed Persons”** – as defined in Section 1.2.

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

“Marketing Fee” – as defined in Section 3.4.

~~“Management Agreement” — the agreement that you enter into with a PC prior to opening the Franchised Business to manage the Center.~~

“Marketing Representative” – as defined in Section 4.1.

“Marketing Notice” – as defined in Section 9.1.

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

“Marks” – as defined in Recital A.

~~“Marks” — “American Family Care,” “AFC and Design” and logo and any other trademarks, service marks, and commercial symbols we may create, use or license for the Centers.~~

“Measurement Period” – as defined in Section 15.7

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

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

“Opening ~~Date~~Deadline” – means the ~~latter~~earlier of 90 days ~~from~~after the date on which we accept the Premises ~~are accepted or 365 days from~~or the 1st anniversary of the Effective Date.

“Operating Assets” – ~~the~~means fixtures, furniture, Computer System, other equipment (including medical and diagnostic equipment, ~~patient and waiting room furniture, fixtures and equipment, computer facsimile, and fax machines,~~ point-of-sale ~~information—~~system ~~or~~and other technology systems), furnishings, ~~and signs to be used in the Franchised Business and at the,~~ and certain other goods and services that we designate from time to time in connection with the development and operation of your Center.

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

“Owner” – means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in ~~you, this Agreement, the Franchise, or the Franchised Business, and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights or assets.~~any Entity.

“PC” – ~~the professional corporation, professional limited liability company or other professional entity as permitted by law in your state to operate the Center~~as defined in Recital A.

“Personal Information” – as defined in Section 6.

~~“Person” – any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.~~

~~“Plan” – means the advertising and marketing plan that we ~~help you develop~~ approve for your Franchised Business and your Territory Center.~~

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

“Restricted Information” – as defined in Section 6.

~~“Products” – our standards and specifications for mandatory and/or optional types, models and brands of required Operating Assets and other products, which may include equipment, supplies, goods, services and other materials to be used in connection with the operation of the Franchised Business and Center. We may be a designated supplier.~~

“Required Marketing” – as defined in Section 9.1.

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

“System” – as defined in Recital A.

~~“Supplier” – our approved or designated distributors and/or suppliers for any Product, Products or Services. We may be a designated supplier.~~

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

“Technology Fee” – as defined in Section 3.5.

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

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

~~“Territory” – ~~your area in which the Premises are located~~ as defined in Section 1.3.~~

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

“your Center” – as defined in Section 1.1.

“Website” – as defined in Section 5.2.

~~“You” and “Your” – you, your affiliates, your corporation, limited liability company, partnership, or other legal entity and your owners, their corporation, limited liability company, partnership, or other legal entity, as applicable.~~

~~“We,” “Us” and “Our” – includes AFC Franchising, LLC, and any of our affiliates with whom you may deal.~~

1. GRANT OF FRANCHISE; TERRITORY

1.1 Grant of Franchise

~~You have applied for a license to own and operate an urgent care management business that will manage a Center at the Premises, and in the Territory identified in Exhibit A. The Premises and Territory will be determined as set forth in Section 2.1 and the Site Selection Addendum, which is included as Exhibit B. Subject to~~ Subject to terms and conditions set forth in this Agreement's terms, we hereby grant you the right and license obligation to develop, own, and manage/operate a Center at the Premises, ~~and to use the System for the Initial~~ identified in Exhibit A or that we subsequently approve as described in this Agreement. The Center that you will develop, own, and operate pursuant to this Agreement is referred to as "your Center." You will develop, own, and operate your Center at the Premises in accordance with the System and the System Standards for the entire Term, unless sooner terminated as provided herein. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently and to use your best efforts to promote ~~the Franchised Business~~ your Center.

1.2 Professional Corporation Under Management; Services

Prior to commencing the operations of ~~the Franchised Business~~ your Center, you must enter into a ~~management~~ Business Support Services a Agreement with a PC ~~whereby that is approved or designated by us. Pursuant to the Business Support Services Agreement,~~ you will provide to the PC ~~management and certain non-medical~~ administrative services ~~and support~~ consistent with the System ~~and as outlined in our form of Management Agreement Standards~~ to support the PC's provision of u Urgent care practice and ~~its delivery of urgent~~ Primary e Care s Services and related products to patients, at your Center in a manner consistent with all applicable laws and regulations. The PC ~~shall will~~ employ ~~and~~ control ~~the physicians and professionally,~~ and make available to your Center such number of licensed healthcare personnel, including physicians, nurses, ~~X-ray technicians,~~ nurse practitioners ~~and medical receptionists, together with the general practitioners, and the other urgent care professionals who will provide the actual urgent care, X-ray and lab technicians, pharmacists, etc. (collectively, "Licensed Persons") that are necessary to provide, supervise, and administer Urgent and Primary Care s~~ Services at the Center. You will not supervise, control, provide, or administer any ~~actual u~~ Urgent and Primary e Care or medical services, nor will you Services or supervise, direct, control, or make suggestions to the PC or its physicians or employees regarding the manner in which the PC ~~provides or may~~ or the Licensed Persons provide medical or u Urgent and Primary e Care s Services to its patients. You acknowledge and agree that we will not provide any urgent care or medical services, nor will we supervise, direct, control or suggest to the PC or its physicians or employees the manner in which the PC provides medical or urgent care services to its patients. You must use the patients. YOU ACKNOWLEDGE AND AGREE THAT WE AND OUR AFFILIATES DO NOT AND WILL NOT SUPERVISE, PROVIDE, ADMINISTER, OR CONTROL THE SUPERVISION, PROVISION, OR ADMINISTRATION OF, ANY URGENT AND PRIMARY CARE SERVICES, INCLUDING THOSE THAT ARE PROVIDED BY THE PC AND THE LICENSED PERSONS.

Upon your request, we may provide you with our standard form of Business Support Services Agreement. We make no representation or warranty that our standard form of Management Agreement; however, you may negotiate the monetary terms and, with our written consent, which shall not be unreasonably withheld, certain other terms of the relationship with the PC. If you make changes to the Management Agreement Business Support Services Agreement complies with applicable laws, including those governing corporate practice of medicine. You are responsible for independently engaging your own legal counsel to review, negotiate, and advise you of the merits and risks of your Business Support Services Agreement. At least 30 days prior to its execution, you must submit a red-lined copy to us, for our review, which may take up to thirty (30) days and approval, a copy of your proposed Business

Services Agreement. You must obtain our written approval of the final ~~Management Agreement prior to its execution. We must approve the PC candidate. You shall ensure that the PC offers all urgent care services in accordance with the Management Agreement and the System. If you are not able initially to find a suitable urgent care physician or physicians to create, own and staff the PC, we have an approved vendor that can assist you at its then current rate.~~Business Support Services Agreement and all subsequent modifications prior to their execution. If we approve your proposed Business Support Services Agreement, we do so for our own purposes, and we make no representation or warranty as to its compliance with applicable laws or its terms for your purposes. We recommend you obtain the advice of your own professional advisors before signing the Business Support Service Agreement. You must provide us with the fully executed (by all parties) copy of the Business Support Services Agreement (together with all exhibits) prior to commencing operation of your Center but, in no event, later than ten (10) days after its execution. You must have a ~~Management~~Business Support Services Agreement in effect with a PC that is approved or designated by us at all times during the operation of ~~the Franchised Business. Notwithstanding the foregoing, if you have already established a relationship with a PC through a Management Agreement, you may add this franchise to that Management Agreement~~your Center.

1.3 Limited Territorial Rights

~~After~~If we have not accepted a Premises for your Center as of the Effective Date, then after we accept the Premises ~~are accepted for your Center,~~ we will describe ~~the your protected T~~territory in Exhibit A ~~(the “Territory”).~~ Except as provided for in ~~Sections 1.4, 1.5, and 1.6 below~~this Agreement, and provided that you are in full compliance with this Agreement, we will not operate or grant others the right to operate a ~~Franchised Business, or a similar urgent care management business that operates under a different mark or trade name, at a location~~Center within the Territory during the term of this Agreement. A Territory will typically consist of a geographic area that has a population of approximately 50,000 people measured according to publicly available population information. The exact Territory will, however, vary and will be determined on factors specific to the location as needed to encompass a population of approximately 50,000 and will be specifically set out in Exhibit A attached hereto.

1.4 Rights We Reserve

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

~~We retain all rights with respect to Franchised Businesses and Centers, the System, the Marks, the sale of similar or dissimilar services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:~~

(a) the right to ~~manage~~establish and operate, ~~and to grant others the right to manage~~establish and operate, ~~Centers and similar urgent care businesses under different names or marks located anywhere~~using the System Standards and the Marks outside the Territory ~~under any terms and conditions we deem appropriate and regardless of proximity to the Premises or the Territory~~your Center;

(b) the right to establish and operate ~~(and to grant to others the right to establish and operate~~anywhere in the world (including in your Territory) any other businesses ~~that is not a Center, even if such business offer~~ings and sells products and services that are ~~not the same as or similar to the products or services offered at Centers through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate;~~by your Center;

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

(d) ~~(e) the right to acquire the assets of or ownership interests of one or more in businesses, or be acquired by businesses that operate, and/or have granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with the urgent care businesses and urgent care management businesses related to the Centers, and/or the right to be acquired by a competing urgent care or medical management company, or by another business, even if such businesses operates, franchises and/or licenses competitive businesses anywhere, including in the Territory, provided, however, that if we acquire such a competing business or chain, we will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory, although we may rebrand such existing businesses in your Territory to use the Marks and the System, and it is expressly acknowledged by you and us that any such business operations of the same or similar business that existed or operated at the time of such acquisition or transaction shall not constitute a breach of Section 1.3; and, We or our affiliates may convert such businesses to Centers and/or permit them to continue to operate under another name regardless of their locations; and~~

(e) ~~(d) the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, the urgent care management businesses related to the Centers, and the services and products offered by or at the Centers, and authorize others to do so, and those materials may appear in media, including, without limitation, via the Internet or similar electronic media;~~ or be received by prospective customers located anywhere, including within the Territory.

1.5 Modification of System

You understand and agree that we may ~~operate and~~ periodically change the System and the System Standards in any manner that is not expressly and specifically prohibited by this Agreement. ~~Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider to be best, to vary System Standards for any franchisee based upon the peculiarities of any condition that we consider important to that franchisee or Franchised Business's operation. You may request that we grant you a variation or accommodation, but, and we have no obligation to do so compensate you for any expenses that you may incur in adapting your Center and its operations in accordance with the revised System and System Standards.~~

1.6 Corporation, Limited Liability Company, or Partnership

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

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

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

(c) ~~(b)~~ You will not alter, change, or amend your organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining our ~~approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Agreement~~ prior written approval;

(d) ~~(c)~~ Your organizational documents, operating agreement, partnership agreement, or stock certificates, as applicable, ~~will recite~~ acknowledge that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

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

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

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

(h) ~~(g)~~ The Franchised Business your Center will be the only business that the Entity may operate, ~~and the Center will be the only business that the Entity may manage~~ own, and your organizational documents must reflect this ~~(although the owners in the Entity may have other business interests subject to any restrictions on competitive businesses in Section 7 or Section 15.4)~~ covenant.

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

2.1 Location Acceptance

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

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

As a condition to our acceptance of the lease for the Premises, we may require the lease to include certain provisions that we periodically require to protect and maintain the American Family Care brand and the System. If the landlord of your Center requires changes to our standard lease addendum, a copy of

which is annexed to the Manual, you must pay us a lease review fee of \$1,000 to offset the expenses we incur to conduct the review. If we accept the lease for your Center, we do so for our own purposes, and we make no representation or warranty as to the quality or suitability of the lease or its terms for your purposes. We recommend you obtain the advice of your own professional advisors before signing it. You must provide us with the fully executed (by all parties) copy of the Lease (together with all exhibits) within ten (10) days after its execution.

~~You agree to obtain our acceptance in writing of the Franchised Business's proposed location before signing any lease, sublease, or other document for the site.~~

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

2.2 ~~Franchised Business~~Center Development

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

(a) ~~obtain a site plan and any~~propose any required modifications to our ~~basic~~ architectural plans and specifications for ~~the~~your Center, including requirements for dimensions, exterior design, materials, interior layout, equipment, fixtures, furniture, signs, and decorating, consistent with applicable ordinances, building codes, and permit requirements;

(b) obtain all required zoning changes; all required building, driveway, utility, health, sanitation, and sign permits and any other required permits; ~~provided, however, that you acknowledge it is your obligation to obtain and maintain these permits and approvals;~~

(c) purchase and arrange for the installation ~~and delivery of equipment, fixtures, furniture and signs; provided, however, that you shall be required to purchase and/or lease such items directly and you shall be responsible for all monetary and other obligations thereunder; and~~of all Operating Assets; and

(d) complete the construction and/or remodeling of the Premises, equipment, fixture, furniture, and sign installation and decorating of ~~the Center in full and strict compliance with plans and specifications approved by us and all applicable ordinances, building codes and permit requirements~~your Center.

~~We will give you mandatory and suggested specifications and layouts for your location at the Premises, including recommended location size and design and required or recommended fixtures, equipment, and signs. Your final floor plan must be submitted to us for written approval prior to~~

construction. You are responsible for compliance with any and all federal, state, or local laws, codes, and regulations.

You agree to do the following, at your own expense, to develop the Franchised Business at the Premises: (i) secure all financing required to develop and operate the Franchised Business; (ii) obtain all required building, utility, sign, occupancy, business, and other permits and licenses; and (iii) purchase or lease, and install, the Operating Assets for the Franchised Business.

2.3 Operating Assets

You agree to use in operating ~~the Franchised Business~~ your Center only those Operating Assets that we approve ~~for Centers and from the suppliers that we approve or designate periodically~~ as meeting our specifications and standards for quality, design, appearance, function, and performance; provided, that you and we acknowledge and agree that the selection and use of any equipment and products used in connection with ~~medical~~ the Urgent and Primary Care s Services provided by the PC to ~~its~~ the patients will, to the extent required by applicable laws, be subject to the PC's approval based on the professional opinion of the ~~PC's physicians~~ Licensed Persons. You agree to place or display at the Premises of your Center only the signs, lettering, logos, and display materials that we approve, subject to, and only in strict compliance with, ~~the local rules and regulations regarding~~ applicable laws governing the operation, management, and advertising of, or for an urgent and primary care center. ~~You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us). If you or the PC wish to use any medical equipment or medical related product other than items that we have previously approved, you must first submit a written request for our approval, which we will not unreasonably withhold if the proposed medical equipment or medical product meets our standards and specifications, and any applicable rules or regulations, as determined by the PC's physician(s).~~

2.4 Computer System

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

We may retain a third-party provider, ~~or~~ an Applications Service Provider (ASP) to provide some or all of the computer-related services and support for your ~~benefit or the benefit of the Franchised Business and~~ Center, and ~~we may require you to~~ pay ~~a service or~~ an ASP hosting fee to us or directly to such third-party. You will be responsible for any costs that you incur in connection with the Computer System. ~~Within sixty (60) days after you receive notice from us, you agree to obtain and install the~~

~~Computer System components that we designate. You must permit us unimpeded access to those aspects of the Computer System as we require in the manner, form, and at the times that we request.~~

You agree that we may condition any license of proprietary or other software and technology to you, or your use of technology that we develop or maintain, upon your signing a software license agreement or similar document with us, our affiliates, or an approved ~~vendor. We or our approved vendor may charge you a fee for any proprietary software or technology that is licensed to you and for other maintenance and support services provided.~~or designated vendor.

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

We have the right to specify in the Manual, or otherwise in writing, the information that you must collect and maintain through the Computer System and to do so at the intervals we designate. Subject to any applicable laws pertaining to the privacy of consumer, ~~employee~~hiring of personnel, and transactional information, including but not limited to HIPAA, you agree to provide us, ~~or~~ and our ~~designated~~ees ~~suppliers of support services that use such data to provide services to the Franchised Business, with the reports~~such reports and information in connection with the operation of your Center that we may reasonably request. You agree to allow us to have independent access to the information generated or stored on your Computer System. During any periods that we have independent access, we may access the Computer System as we deem appropriate (including on a continual basis), and retrieve all information concerning your ~~Franchised Business's~~Center's operation, subject to your and our compliance with HIPAA or other applicable law relating to confidentiality of patient records. ~~There are no contractual limitations on our right to access your Company System for information and data.~~

2.5 Opening of Franchised Business Center

You agree not to open ~~the Franchised Business~~your Center until:

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

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

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

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

(e) you have executed all agreements required prior to the opening of ~~the Franchised Business~~your Center, including, ~~but not limited to, the~~ this Agreement, the lease, ~~the Management for the Premises, the Business Support Services~~ Agreement, and any software license agreements, and provide us with fully executed copies of those agreements;

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

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

Subject to your compliance with these conditions, ~~and except as we may otherwise approve,~~ you agree to open ~~the Franchised Business on~~your Center on or before the Opening ~~Date~~Deadline.

3. FEES

3.1 Initial Franchise Fee

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

3.2 ~~Continuing Service and~~ Royalty Fee

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

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

3.3 Net Payments

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

3.4 Marketing Fee

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

3.5 Technology Fee & Annual Software Training Fee

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

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

3.6 Construction Management Service Fee

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

3.7 Reimbursement of Costs

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

3.8 ~~3.4~~ Late Fees and Interest

All amounts which you owe us or our affiliates for any reason will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for late fees and interest. You acknowledge that this Section ~~3.4~~3.8 is not our agreement to accept any payments after

they are due or our commitment to extend credit to, or otherwise finance your operation of, ~~the Franchised Business~~your Center.

3.9 ~~3.5~~ Application of Payments

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

3.10 ~~3.6~~ Method of Payment

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

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit whenever we deem appropriate. You agree to comply with our payment instructions as they may be modified from time to time.

You must comply with all of our payment policies, procedures, and requirements, as described in the Manual.

3.11 ~~3.7~~ Payment of Taxes

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

3.12 No Referral Fee, Gratuities, or Gifts

~~3.8-Marketing Fee~~Any payment made by you to us or our affiliates pursuant to this Agreement or any other agreement will not amount to payment for the referral of customers or patients to you, and you acknowledge and agree that the services we and our affiliates offer do not include the referral of customers. Neither you nor your Owners will make or offer any gratuity, gift, personal service, favor, or other preferential treatment of any kind to us, our affiliates, our or our affiliates' Owners or employees, or family members of our or our affiliates' Owners or employees. The foregoing does not include reasonable food and beverage or other customary courtesies.

~~During the term of the Franchise, you agree to pay us an advertising and marketing fee of one percent (1%) of your Net Payments, payable in the same manner as Royalty.~~

~~3.9-Other Fees~~You also agree to pay us other fees including data extraction, annual training and technology fees as more fully described in the Manual and in Item 6 of our FDD.

4. TRAINING AND ASSISTANCE

4.1 Initial Training and Center Administrator

~~You must hire and retain a Center Administrator before you open for business. We may provide and require that your Center Administrator complete certain initial training, although we will not require that your Center Administrator attend initial franchisee training that we will provide at our headquarters. Training for the other Center Administrator(s) and other personnel may be conducted as we determine appropriate within six (6) months of your Opening Date.~~

We will conduct an initial training program for you or your Operating Principal, which will address the material aspects of managing and operating your ~~Franchised Business Center~~. We will provide the initial training program at our headquarters or at a designated training facility of our choice at no charge to you. ~~We will provide the initial training for your required attendees. We~~ or your initial Operating Principal and certain other persons who we may require to attend such training. We reserve the right to charge an initial training fee (which will not exceed \$750 per person) for anyone else that attends initial training or if we provide initial training to your replacement Operating Principal. You agree to pay for all travel and living expenses ~~which that~~ you and your trainees will incur and for all of your ~~employees~~trainees' wages and workers' compensation insurance during training.

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

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

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

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

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

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

Prior to the opening of ~~the Franchised Business~~ your Center, we will, at our cost, send one of our representatives to ~~the Franchised Business~~ your Center for a period of three (3) days to assist with preopening and opening of ~~the Franchised Business~~ your Center. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay ~~our then-applicable charges, including our personnel per diem charges and~~ us \$1,500 per day per trainer and reimburse the travel and living expenses incurred by our trainers in providing such additional opening assistance. Notwithstanding the foregoing, if you are a multi-unit operator, you may have the Marketing Representative cover more than one franchised location; and you may be exempt from the initial training program.

4.2 Ongoing Training; Training of Replacement Personnel

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

We require that your replacement Center Administrators satisfactorily complete such training programs as we may require for center administrators ~~within ninety (90) days after being designated as before they start working at your Center Administrator~~. You ~~agree to pay~~ are responsible for all ~~wages, travel and living expenses which,~~ wages, and benefits owed to, and other costs of, you and your ~~employees incur during all training~~ ees courses and programs attending such periodic conventions, regional meetings, and conferences.

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

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

4.3 General Guidance

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

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

We ~~will~~ may provide you with an Opening Consultant who will facilitate and oversee the clinic opening process for your ~~Franchised Business. The~~ Center. If we provide you with an Opening Consultant, the opening consultant will coordinate between you and us, ~~in addition to all necessary vendors to ensure a successful opening of the Center in compliance with all system standards.~~

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

4.4 Operations Manual

~~We~~ During the Term, we will ~~loan~~ provide you ~~during the Initial Term one (1) copy of our Manual, which may include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our extranet (if one is developed) and/or written materials. You agree to read and follow the policies and procedures in the Manual with access to our Manual applicable to the development and operation of the Centers. We will determine the content of the Manual, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to you.~~ The Manual contains our System Standards that we periodically prescribe for the management and operation of ~~a Franchised Business and a Center and the Center, certain suggested practices, and other~~ information ~~on your other obligations under this Agreement regarding the development and operation of Centers.~~ We may modify the Manual ~~periodically~~ from time to time to reflect changes in System Standards.

~~You agree to keep your copy of the Manual current and in a secure location at the Franchised Business. If there is a dispute over its contents, our master copy of the Manual controls. You agree that the Manual's contents are confidential and that you will not disclose the Manual to any person other than Franchised Business~~ Center employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual. ~~If your copy of the Manual is lost,~~

~~destroyed, or significantly damaged, you agree to obtain a replacement copy from us. We may assess you our then applicable printing or copying charge. This charge is for our direct costs and is not related to any value that we place on the Confidential Information.~~

At our option, we may post some, or all, of the Manual on a restricted Website or extranet to which you will have access. ~~The term "Website" as used in this Agreement means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social networking sites, blogs, vlogs, and other applications, etc.~~ If we do so, you agree to monitor and access the Website for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on a Website will be deemed to be part of the Confidential Information.

4.5 Delegation of Performance

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

4.6 Franchisee Council

~~We have created a franchisee advisory council ("Franchisee Council") comprised of Franchised Business franchisees or their representatives for the purpose of fostering communications among franchisees and with us. You must participate and contribute such dues bi-annually that are assessed to franchisees to support the Franchisee Council. We reserve the right to establish the legal, administrative, and organizational framework for the Franchisee Council.~~

5. MARKS

5.1 Ownership and Goodwill of Marks and the System

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

5.2 Limitations on Your Use of Marks

You agree to use the Marks as ~~the Franchised Business's~~ your Center's sole identification, except that you agree to identify yourself or the Entity as its independent operator of your Center in the manner we prescribe. Your use of the Marks will be limited to uses related to the ~~management and non-medical~~ administrative support ~~of services that you provide~~ the PC of your Center, and may not in any way, explicitly or implicitly, relate to the provision of any ~~medical or u~~ Urgent and Primary e Care s Services.

You may not use any Mark and the System, any derivatives of the Marks and the System, or similar mark: (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, ~~homepage~~webpage, electronic address, or otherwise in connection with a website or presence on any electronic, virtual, or digital medium of any kind on the world wide web or the Internet (collectively, “Website”), or (5) in any other manner that we periodically disapprove or have not expressly authorized in writing.

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

~~You further acknowledge that we may license the use of the Marks to the PC, and other PCs, for use in identifying to the public the Center, subject to, and only in compliance with, applicable federal, state and local laws, rules and regulations and applicable medical licensing laws and regulations.~~

5.3 Notification of Infringements and Claims

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

5.4 Discontinuance of Use of Marks

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

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

5.5 Indemnification for Use of Marks

~~We~~Subject to your compliance with this Agreement, we agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have notified us immediately upon your becoming aware of and

comply with our directions in responding to the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Manual, and other directives from us. At our option, we may defend or control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. CONFIDENTIAL INFORMATION

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

~~(1) We possess (and will continue to develop and acquire) certain Confidential Information, some of which constitutes trade secrets under applicable law, relating to developing and operating Franchised Businesses and Centers, including:~~

~~(a) site selection and territorial criteria;~~

~~(b) training and operations materials and manuals;~~

~~(c) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and managing Centers and providing urgent care and accessible primary care services to patients;~~

~~(d) marketing and advertising programs for Centers;~~

~~(e) physician and employee recruitment, training, and retention programs;~~

~~(f) knowledge of, specifications for, and suppliers of Operating Assets, and other products and services;~~

~~(g) any computer software or similar technology which is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;~~

~~(h) knowledge of the operating results and financial performance of Centers and Franchised Businesses (subject to compliance with HIPAA and other requirements); and~~

~~(i) graphic designs and related intellectual property.~~

(2) You acknowledge and agree that you acquire no interest in the Confidential Information by virtue of this Agreement or otherwise, other than the right to use it as we specify in operating ~~the Franchised Business~~your Center during this Agreement's ~~t~~Term, and that the Confidential Information is proprietary and is disclosed to you only on the condition that you agree that you:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during and after this Agreement's ~~Term and then thereafter for as long as the item is not generally known in the employment and/or health care and/or urgent care industries;~~

(c) will not make unauthorized copies of any Confidential Information ~~disclosed via electronic medium or in written or other tangible~~or improperly disclose or publish any portion of the Confidential Information in whatever form or format; and

(d) will adopt and implement ~~reasonable~~procedures, including those that we periodically prescribe, to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to ~~Franchised Business Center~~ personnel and others and using non-disclosure ~~and non-competition~~ agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You are obligated to maintain in your files those executed confidentiality agreements we specify and make them available to us upon request.

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

~~(3) Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the health care management and/or urgent care industries through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the health care management and/or urgent care industries through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.~~

~~(4)~~ All ideas, concepts, techniques, or materials relating to ~~a Franchised Business~~your Center, whether or not protectable intellectual property and whether created by or for you or your employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing an assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item. We and our Affiliates have no obligation to make any payments to you or any other person with respect to any innovations described in this Section, and you may not use such innovations in operating your Center or otherwise without our prior approval.

You may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, email addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric data, government-issued identification numbers and credit report information (collectively, "Personal Information"). You agree

to not use, process, copy, display, publish, store, or transfer the Personal Information of any person without its prior written consent in compliance with the applicable laws.

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

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

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

7. EXCLUSIVE RELATIONSHIP

You acknowledge that we have granted you ~~at the~~ the Franchise in consideration of and in reliance upon your agreement to deal exclusively with us. You therefore agree that during this Agreement’s term, you, your Owners, and any of your and your Owners’ ~~Immediate~~ Family ~~Members~~ who have attended any of our training programs, or have participated in any aspects of the operation or management of the Franchised Business or otherwise may have access to Confidential Information, will not directly or indirectly:

(a) own, maintain, operate, engage in, franchise or license, or have any direct or indirect ~~controlling or non-controlling~~ interest ~~as an owner—whether of record, beneficially, or otherwise~~—in a Competitive Business, wherever located or operating (except that an equity ownership of less than five percent (5%) ~~of~~ in a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

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

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

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

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

~~You agree to obtain similar covenants from the personnel and persons we specify including your directors, managers and other employees attending our training program or having access to the Confidential Information and immediate family members. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights.~~

8. SYSTEM STANDARDS

8.1 Condition and Appearance of ~~the Franchised Business~~your Center

~~You agree that:~~

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

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

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

8.2 Franchised BusinessCenter Services, Specifications, Standards and Procedures

You agree that: (1) ~~the Franchised Business~~your Center will provide all of ~~the management services to the Center and that the Center (and not you or the Franchised Business) will offer medical and~~

~~patient care services; (2) the Franchised Business will offer and sell approved services and products only in the manner we prescribe; (3) products and services that we approve or designate for sale at your Center;~~ (2) you will not offer for sale or sell at or from ~~the Franchised Business~~ your Center, any services or products we have not approved; ~~(4) we have the right to~~ may at any time revoke our approval of services or products to be offered or sold at or from ~~the Franchised Business~~ your Center, and you will discontinue selling and offering for sale any services or products that we revoke or disapprove in writing; and ~~(5) you will be responsible for the PCPC's operations in accordance with the Management Business Support Services Agreement.~~

8.3 Approved Products and Suppliers

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

~~We have the right to designate Products as mandatory or optional. We reserve the right to approve specifications or suppliers of the Products that meet our reasonable standards and requirements. You agree to purchase only such Products meeting those specifications, and if we require it, only from suppliers we have approved, including ourselves.~~

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

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

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

~~All Products you make available at the Center, and all equipment, fixtures, furniture, exterior and interior signs and decorations, uniforms, forms and cleaning and sanitation materials and other supplies and materials used in the operation of the Franchised Business and the Center, must be approved and conform to the specifications and quality standards established by us.~~

~~At~~ To the time the Center opens for business, you will stock the initial inventory of supplies, equipment and materials prescribed by us and/or extent required by the PC. Thereafter applicable laws, you will stock and maintain all types ~~of supplies, and quantities of medical~~ equipment and materials ~~which we prescribe or are~~ required by the PC, ~~in quantities sufficient~~ to meet reasonably anticipated customer

demand. Additionally, requirements relating to equipment and products to be used in connection with medical services provided to patients by the PC will be subject to the PC's approval.

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

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

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

(a) ~~8.4.1.~~ General. Notwithstanding anything to the contrary, You must develop and operate your Center in compliance with all applicable laws, secure and maintain in force all required licenses, permits and certificates relating to the operation of ~~the Franchised Business and the other licenses applicable to the management of urgent care your eCenters,~~ and must operate ~~the Franchised Business your Center~~ in full compliance with all applicable laws, ordinances and regulations, including, without limitation, HIPAA, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the staffing and management of an urgent care business. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. ~~The Franchised Business Your Center~~ must, in all dealings with ~~its clients,~~ the patients of the PC, its suppliers, us, and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to the System and the goodwill associated with the Marks ~~and other Franchised Businesses and,~~ the System, or the Centers. You must notify us in writing within five (5) days of (i) the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality agency, which may adversely affect your operation or financial condition or that of ~~the Franchised Business your Center~~ and of any notice of violation of any law, ordinance, or regulation relating to ~~the Franchised Business your Center;~~ (ii) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental agency relating to your Center; (iii) any notice that you or your Center may have violated any law, ordinance or regulation; and (iv) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from any patient.

(b) ~~8.4.2.~~ PCI Compliance. You agree to implement and maintain appropriate security measures consistent with the Payment Card Industry ("PCI") Data Security Standards, Payment Data Security Standards, and such other standards as may be required by us (collectively "Data Security

Standards”), as further described in the Manual. Upon request, you shall provide us with proof of compliance with all Data Security Standards in a form acceptable to us. You covenant and agree to be and remain in compliance with all Data Security Standards, and will notify us immediately should you: (i) learn or have reason to believe that you are no longer in compliance with the Data Security Standards; (ii) reasonably anticipate that you are or will be noncompliant with the Data Security Standards; or (iii) undergo an adverse change in your certification or compliance status with respect to the Data Security Standards. Upon the occurrence of any of (i), (ii), or (iii), as set forth above, you will immediately provide us with a detailed plan to remediate non-compliance.

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

8.5 Management of ~~the Franchised Business~~your Center/Conflicting Interests

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

~~If you or your Operating Principal own or control more than one Franchised Business, each Center must be under the direct on-premises supervision of a Center Administrator who meets the minimum qualifications, receive such certification(s), and has completed the training programs that we may require.~~

8.6 Insurance

During the term of this Agreement, you must maintain in force at your sole expense ~~comprehensive public liability coverage, general liability insurance, personal injury coverage and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Franchised Business’s operation, all containing~~maintain and require PC to maintain such types and limits of insurance coverages that we may require from time to time. Each insurance policy must have the minimum liability coverage we prescribe. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or

other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation, or expiration. You ~~must~~ routinely furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying of premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain such insurance for you and ~~the Franchised Business~~ your Center on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus ~~a reasonable~~ an administrative fee of 10% of the amount of the premiums for our time incurred in obtaining such insurance. We encourage you to seek advice from an independent risk management provider who may specify higher limits.

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

8.7 Compliance with System Standards

You acknowledge and agree that operating and maintaining ~~the Franchised Business~~ your Center according to the System Standards is essential to preserve the goodwill of the Marks ~~and all Franchised Businesses and, the System, and the~~ Centers. Therefore, you agree at all times to develop, operate, and maintain ~~the Franchised Business~~ your Center according to all of our System Standards. Although we retain the right to establish and periodically modify System Standards, you ~~retain the right to and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining~~ have the obligation to develop and operate your Center in compliance with our then-current System Standards ~~at the Franchised Business~~. If you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to own and operate ~~the Franchised Business~~ your Center, and/or take other actions to enforce the System Standards.

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

~~As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8.1 through 8.6 above:~~

(a) all ~~management and administrative~~ products and services provided by you to the Center ~~or otherwise used in connection with operating the Franchised Business~~ PC and other non-medical products and services sold by you to patients of the PC;

(b) staffing levels ~~and service standards for the Franchised Business; identifying the Franchised Business's personnel; and employee qualifications;~~ for your Center as it relates to provision of non-medical goods and services at your Center, non-medical training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, working conditions and discipline. You will post a notice at ~~the~~ your Center notifying them that they are employees of the PC and not ours);

(c) sales, marketing, advertising, and promotional programs and materials and media used in these programs;

(d) use and display of the Marks at ~~the Franchised Business and at the Center, and on signs, contracts, products and supplies~~your Center;

~~(e) days and hours of operation;~~

(e) ~~(f)~~ participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(f) ~~(g)~~ accepting credit and debit cards, other payment systems, and check verification services;

(g) ~~(h)~~ participation in, and compliance with, private and government-sponsored insurance and reimbursement programs;

(h) ~~(i)~~ non-clinical bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and providing us copies of tax returns and other operating and financial information concerning ~~the Franchised Business~~your Center;

(i) ~~(j)~~ submitting to us all press releases relating to ~~the~~your Center for our prior written approval; and

(j) ~~(k)~~ any other non-clinical aspects of operating and maintaining ~~the Franchised Business~~your Center that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks, ~~Franchised Businesses and the System, and the~~ Centers.

~~You acknowledge and agree that as part of the System Standards, we have the right to designate Products as mandatory or optional for use in connection with the operation of the Franchised Business, and that you obtain such Products only from suppliers that we approve or designate. We may Subject to applicable laws, we may from time to time~~ require that you refrain from conducting any direct billing or collections from customers ~~of the Center for the services covered by the Central Billing~~that receive Urgent and Primary Care Services during any such period and/or certain other services at your Center. During any time that Central Billing Services are a ~~mandatory~~required ~~P~~product that you must purchase, you agree to comply with the designated supplier's terms and procedures for the operation of, and participation in, the Central Billing Services, which may include without limitation the use of electronic fund transfers for monies collected from, and fees due for, Central Billing Services provided to ~~the Franchised Business~~your Center.

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

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

in the independent exercise of its medical judgement. You must also comply with such standards and specifications.

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

8.8 Modification of System Standards

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

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

9. **MARKETING**

9.1 Marketing Contributions and Expenditures

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

We will not require that the percentage of Net Payments you are required to pay as the Marketing Fee and your minimum local marketing expenditure described in Section 9.3 (collectively, the “Required Marketing”) exceed, in the aggregate, five percent (5%) of your Center’s Net Payments for such period

(the “Marketing Expenditure Cap”); provided, however, it is your responsibility to provide us with written notice if the Required Marketing exceeds the Marketing Expenditure Cap, and until we receive your written notice (the “Marketing Notice”), you will fully comply with the Required Marketing requirements, and no excess amounts will be refunded to you. If the Required Marketing exceeds the Marketing Expenditure Cap, you may, after we receive your Marketing Notice, reduce the Local Advertising Requirement, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. You must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded. Your Grand Opening Spend Requirement will not count towards the Marketing Expenditure Cap.

9.2 Marketing Fund

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

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

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

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

Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs.

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

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

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

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

We may at any time defer or reduce contributions of a ~~Franchised Business~~ [Center](#) and, upon thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods or terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will ~~distribute, at our option, either spend~~ all unspent monies ~~to~~ [at](#) our ~~franchisees, and to us, in proportion to their, and our, respective Marketing Fund contributions during the preceding twelve (12) month period.~~ [discretion, until such amounts are exhausted, or distribute the funds in the Marketing Fund to the contributing Center Owners in a manner we deem fair and equitable.](#)

9.3 By You

~~We will, through your Franchise Marketing Consultant, work with y~~ [You](#) ~~to~~ [must](#) develop an advertising and marketing Plan [for your Center and obtain our prior written approval of the Plan.](#) You must comply with all requirements regarding the Plan, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with all promotional recommendations. In addition to your Marketing Fund contribution obligations, you agree to spend each month, beginning three (3) months after [the opening of](#) your ~~Grand Opening~~ [Center](#), at least Two Thousand Dollars (\$2,000), not including ~~labor~~ [vendor and agency](#) costs, to

advertise and promote your ~~Franchised Business~~Center in accordance with your Plan. Your monthly expenditure may include the costs to design or develop local marketing programs, subject to our approval. You agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we specify. If you fail to spend the required minimum amount, then any amounts that you should have expended to reach the Two Thousand Dollars (\$2,000) monthly requirement must be contributed to the Marketing Fund at such times as we specify.

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

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

9.4 Grand Opening ~~Advertising Program~~Spend Requirement

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

~~In addition to and not in lieu of the Marketing Fund contribution and other expenditures for local advertising and promotion, you shall expend a minimum of Thirty-Five Thousand Dollars (\$35,000) for grand opening advertising, marketing and promotional programs in conjunction with the initial opening of the Center you manage, pursuant to a grand opening marketing plan developed or approved in writing by us ("Grand Opening Advertising Program"). The Grand Opening Advertising Program may commence prior to opening the Center and shall be completed within sixty (60) days after the Center commences operation.~~

9.5 Market Cooperative

We have the right to ~~designate~~form a marketing cooperative for any geographical area ~~for the purposes of establishing a market advertising and promotional cooperative fund~~ ("Market Cooperative"). If a Market Cooperative for the geographic area in which ~~the~~your Center ~~you manage~~ is located has been established at the time you begin operations hereunder, you must immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area in which ~~the~~your

Center ~~you manage~~ is located is established during the term of this Agreement, you must become a member of such Market Cooperative within thirty (30) days after the date on which the Market Cooperative commences operation. In no event will you be required to be a member of more than one (1) Market Cooperative. The following provisions will apply to each such Market Cooperative:

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

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

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

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

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

9.6 Approvals

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

9.7 Websites

In furtherance of our policies regarding Websites and the presence of the "AMERICAN FAMILY CARE" brand on the Internet, we have the right to establish, maintain, and modify one or more Websites

that identify the “AMERICAN FAMILY CARE” brand, system, and businesses that operates under our Marks. ~~Currently, we have~~We may established web pages on one website that identifies individual ~~Franchised Businesses and~~ Centers, and we may designate one such webpage ~~shall specifically identify for~~ your ~~Franchised Business~~Center. You ~~shall~~may have the right to promote your ~~Franchised Business~~Center using this webpage, and to utilize and modify this webpage, provided that you comply with our Website and Internet policies and System Standards. Our ~~w~~Web site strategy, which we have the right to change, includes utilizing our website and various web pages for press releases, brand marketing, promotion, and dissemination of other information related to the ~~Franchised Businesses and~~ Centers.

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

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

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

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS

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

- (a) a report on ~~the Franchised Business’s~~your Center’s Net Payments and a monthly operating report and/or income statement with business and operating statistics of the type and in the form and manner that we specify;
- (b) quarterly profit and loss and source and use of funds statements and a balance sheet for ~~the Franchised Business~~your Center as of the end of the prior calendar quarter;

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

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

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

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

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

11. INSPECTIONS AND AUDITS

11.1 Our Right to Inspect ~~the Franchised Business~~your Center

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

11.2 Our Right to Audit

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

you to provide us with periodic audited statements. These remedies are in addition to any other remedies and rights provided us under this Agreement and applicable law.

12. TRANSFER

12.1 By Us

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

12.2 By You

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

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

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

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

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

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

12.3 Conditions for Approval of Transfer

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

~~If you are an Entity, your owners may transfer a non-controlling ownership interest in you (determined as of the date on which the proposed transfer will occur) if: (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) meet our then-applicable standards for Franchised Business franchisees; and (2) you give us prior written notice of the transfer.~~

~~For any other proposed transfer, all of the following conditions must be met before or concurrently with the effective date of the transfer:~~

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

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

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

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

(e) (c) (a) You have corrected any existing deficiencies of ~~the Franchised Business~~your Center of which we have notified you in writing or by electronic communications, ~~and/or~~;

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

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

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

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

~~(f) Your landlord allows you to transfer the lease or sublease the Premises to the transferee;~~

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

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

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

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

(n) ~~(k)~~ You, your Owners, and your and your Owners' Immediate Family Members will not, for two (2) years beginning on the effective date of the transfer, ~~engage in any of the activities prescribed in Section 15.4; and~~comply with the applicable post-termination obligations under this agreement, including those regarding Competitive Businesses, as though the Agreement had expired on the date of the purchase; and

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

If you intend to list your Center for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or

authorize the use of any Mark in advertising any prospective transfer or other disposition of your Center or of any ownership in you without our prior written consent. You shall not use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the transfer of your Center or of any ownership interest in you without our prior written approval of such materials.

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

~~12.4 Transfer to a Wholly-Owned Corporation or Limited Liability Company~~

~~If you are in full compliance with this Agreement, and other agreements with us and suppliers, after providing us with written notice, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the Franchised Business and, if applicable, other Franchised Businesses in which you maintain management control and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Franchised Business's assets are owned, and the Franchised Business's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 12.3 above. You agree to remain personally liable under this Agreement.~~

12.4 ~~12.5~~ Your Death or Disability

(a) Transfer Upon Death or Disability. Upon your or any of your Operating Principal's Owners' death or disability, your, ~~or the Operating Principal's,~~such owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, ~~or the Operating Principal's ownership interest in you,~~ (as applicable) to a third party (which may be your, or the Operating Principal's, heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed twelve (12) months from the date of death or disability and is subject to all of the terms and conditions in this Section 12. ~~A failure to transfer your interest in this Agreement or the Operating Principal's ownership interest in you within this time period is a breach of this Agreement.~~ For purposes of this Section, "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an Owner from operating your Center in accordance with this Agreement.

(b) Operation Upon Death or Disability. Upon your or ~~the Operating Principal's~~any of your Owners' death or disability, your, or the Operating Principal's, executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a manager. The manager at your estate's expense must complete our standard training program. A new Operating Principal acceptable to us also must be appointed for ~~the Franchised Business~~your Center, and that new Operating Principal must be acceptable to us and complete our standard training program ~~within ninety (90) days after the date of your death or disability before managing your Center.~~

12.5 ~~12.6~~ Our Right of First Refusal.

(a) Any party holding any interest in you, ~~your entity,~~ or this Agreement and who desires to accept any bona fide offer to purchase his, her or its interest in ~~the Franchised Business~~your Center from a third party, shall notify us in writing of each such offer, and we will have the right and option, exercisable within thirty (30) after receipt of such written notification, to send written notice to the seller of our or our nominee's intent to purchase your interest on the same terms and conditions offered

by the third party. To be a valid, bona fide offer (i) include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, (ii) the entire proposed purchase price must be in a dollar amount, and (iii) the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. We may require you (or your Owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

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

(c) Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us or our nominee as in the case of an initial offer. Our failure to exercise the option afforded by this Section ~~12.6~~12. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 12, with respect to a proposed transfer. If you do not make the proposed transfer within ninety (90) days from the date on which you notified us of the offer, then you will again extend this right of first refusal to us before making any transfer or assignment. Any transfer or attempted transfer without giving us this right of first refusal will be null and void. ~~Notwithstanding this Section 12.6 or any other provision of this Agreement, our right of first refusal shall not apply to a transfer of an interest constituting less than one hundred percent (100%) of the Franchised Business.~~

12.6 ~~12.7~~ Effect of Consent to Transfer

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

13. EXPIRATION OF THIS AGREEMENT; ~~RENEWAL~~SUCCESSOR FRANCHISE

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

(a) ~~(1)~~You have given us written notice of such election to renew not less than one hundred eighty (180) days, nor more than two hundred seventy (270) days, prior to the end of the then-current term; ~~provided, however, if you fail to provide such notice and otherwise are in compliance with this Section 13, then at our option this Agreement shall renew for the then-current renewal term;~~

(b) ~~(2)~~ You are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us, and have substantially complied with all the terms and conditions of such agreements during the terms thereof;

(c) ~~(3)~~ You have satisfied all monetary obligations owed by you to us and have timely met these obligations throughout the term of this Agreement;

(d) ~~(4)~~ You shall and your Owners (as applicable) execute ~~upon renewal~~ our then-current form of Franchise Agreement and related documents, which agreement shall supersede this Agreement in all respects ~~this Agreement~~, and the terms of which may differ from the terms from this Agreement;

(e) ~~(5)~~ You shall and your Owners sign a general release, in the form we require, of any and all ~~e~~Claims against us, our parent, and ours and their respective members, shareholders, officers, directors, agents and employees;

(f) ~~(6)~~ You shall comply with our then-current qualification and training requirements;

(g) ~~(7)~~ You maintain your right to use the Premises of your Center or secure substitute premises we approve for the duration of the successor term; ~~and~~

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

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

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

(k) ~~(8)~~ You make such modifications and improvements to ~~the Franchised Business~~your Center to bring it into compliance with ~~applicable~~then-current System Standards ~~for new Centers~~.

14. TERMINATION OF AGREEMENT

14.1 Automatic Termination

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

~~p~~Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your ~~Franchised Business~~Center shall be sold after levy thereupon by any sheriff, marshal, or constable.

14.2 Termination Upon Notice Without Opportunity to Cure

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

(a) you have made or make any material misrepresentation or omission in your application for, or in acquiring, the ~~f~~Franchise rights, or in operating ~~the Franchised Business~~your Center;

(b) you or your Owners make or attempt to make any transfer in violation of Section 12;

(c) you or your Owners are or have been convicted of, or plead or have pleaded no contest to, a felony;

(d) you or your Owners engage in any dishonest or unethical conduct which, in our opinion, adversely affects ~~the Franchised Business's~~your Center's reputation or the goodwill associated with the Marks;

(e) you ~~knowingly~~or your Owners make any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;

(f) you or your Owners interfere with our relationships with third parties and the ability to operate and/or grant franchises under our System;

(g) you understate ~~the Franchised Business's~~your Center's Net Payments for any period by five percent (5%) or more, three (3) times or more during the term, or by more than ten percent (10%) on any one occasion;

(h) you (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any eighteen (18) consecutive month period to comply with the same obligation under this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you;

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

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

(k) if at any time after your Center commences operations, you don't have a valid Business Support Services Agreement in place in the form we approve with a PC that we approve or

designate (unless we agree to waive the requirement to enter into the Business Support Services Agreement in writing);

(l) ~~(j)~~ you are in default of any other agreement with us, and ~~or~~ your ~~have~~ PC failed to cure the default within the time period, if any, provided for such cure under such agreement(s) comply with any provision of the Business Support Services Agreement and do not correct the failure within the applicable cure period (if any); or

(m) ~~(k)~~ you abandon or fail actively to operate the Franchised Business for three (3) or more consecutive business days, unless you close the Franchised Business for a purpose we approve or because of casualty or government order, ~~or your affiliates fail to comply with any other agreement with us or our affiliates and do not correct such failure within the applicable cure period, if any.~~

14.3 Termination With Opportunity to Cure

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

(a) you do not open ~~the Franchised Business~~ your Center for business ~~within the time period prescribed in Section 2.5~~ by the Opening Date;

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

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

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

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

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

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

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

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

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

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

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

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

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

14.4 Extended Notice of Termination

If any law applicable to this Section 14,~~or Section 13~~ above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to renew the franchise agreement, than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

14.5 Remedies other than Termination

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

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

15.1 Cease Operating and Payment of Amounts Owed to Us

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

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

15.2 Marks

When this Agreement expires, or is terminated:

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

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

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

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

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

(f) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations. If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Center. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

15.3 Confidential Information

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

15.4 Covenant Not to Compete

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

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

~~In addition, during the two (2) year period referred to above, you may not solicit any of our employees, employees of any other then operating Center, or any client or patient of any Center on behalf of any Competitive Business that is or may be located, or is or may have a business located, or services any customer, client, or person in any of the areas described in subclauses (a), (b), or (c) above.~~

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

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

15.5 Our Right to Purchase Certain Assets of ~~the Franchised Business~~ your Center

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

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

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

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

15.6 Continuing Obligations

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

15.7 Lost Revenue Damages

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

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

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

16.1 Independent Contractors

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

16.2 No Liability for Acts of Other Party

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than that of franchisor and franchisee. We will not be obligated for any damages to

any person or property directly or indirectly arising out of ~~the Franchised Business's~~your Center's operation or the business you conduct under this Agreement.

16.3 Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or ~~the Franchised Business's~~your Center. You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us. We are responsible for paying applicable taxes owed by us.

16.4 Indemnification

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

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

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

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

17. ENFORCEMENT

17.1 Severability and Substitution of Valid Provisions

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

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

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to renew your franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits.

17.2 Waiver of Obligations

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

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

~~Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Marketing Fund contributions due afterward.~~

17.3 Costs and Attorneys' Fees

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

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

17.4 Rights of Parties are Cumulative

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

17.5 Mediation and Arbitration

17.5.1 Mediation

Before you and we may bring an action in court or arbitration, you and we must first meet to mediate the dispute. Any such mediation shall be non-binding and shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). The parties may mutually agree on a mediator and/or procedures and/or venue for mediation. This Section 17.5 shall not bar you or us from obtaining judicial or injunctive relief for ~~e~~Claims that are based solely on demands for money owed, or from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, ~~e~~Claims involving the Marks.

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

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

17.5.2 Arbitration

~~Except as specifically otherwise provided in this Agreement, and any action brought by us under Lanham Act suits in equity to enforce the covenants herein, the parties agree that any and all disputes between them, and any claim by either party that cannot be amicably settled through mediation, shall be determined solely and exclusively by arbitration in Jefferson County, Alabama, in accordance with the then-prevailing Commercial Rules of the American Arbitration Association.~~

All controversies, disputes, or Claim between us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, and employees), on the one hand, and you (and your Owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your Owners) and us (or any of our affiliates) or any provision of any of such agreements

(including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our (or our successor’s or assign’s, as applicable) then-current principal place of business (currently, Hoover, Alabama). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

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

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

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

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

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

~~The parties will select one (1) arbitrator from a panel of neutral arbitrators provided by the American Arbitration Association and this arbitrator is chosen by the striking method. The parties will~~

~~each bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator will have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator is final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place.~~

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

17.6 Governing Law

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

17.7 Consent to Jurisdiction

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

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

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

WE AND YOU AGREE THAT ALL PROCEEDINGS, WHETHER SUBMITTED TO ARBITRATION UNDER SECTION 17.5 ABOVE OR SUBMITTED TO A COURT, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT NO PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS,

DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

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

17.9 Binding Effect

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

17.9 17.10 Limitations of Claims

ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, TO THE RELATIONSHIP OF YOU AND US, OR YOUR OPERATION OF ~~THE FRANCHISED BUSINESS~~ YOUR CENTER (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), MUST BE BROUGHT OR ASSERTED ~~BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) WITHIN ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED. OUR CLAIMS ATTRIBUTABLE TO, NOTWITHSTANDING THE FOREGOING, OUR CLAIMS ARISING FROM UNDERREPORTING OF SALES, AND CLAIMS OF ANY PARTY FOR NET PAYMENT, FAILURE TO PAY MONIES OWED, AND/OR INDEMNIFICATION SHALL~~ WILL NOT BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF ABOVE LIMITATIONS.

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

18. OUR DISCRETION AND JUDGMENT

17.11 Our Discretion and Judgment

Whenever we have expressly reserved in this Agreement a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, which includes what we believe to be the best interests of the franchise network at the time our decision is made or our right or discretion is exercised even though: (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our financial or other individual interest; or (3) our decision or the action we take may apply differently to different franchisees or our

company-owned or affiliate-owned operations. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review.

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

19. CONSTRUCTION

17.12 Construction

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

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

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

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

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

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any Claim under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

This Agreement may be executed in multiple copies, each of which will be deemed an original. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

20. **BINDING EFFECT**

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

21. ~~18.~~ **NOTICES AND PAYMENTS**

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

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

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

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

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

22. ~~19.~~ **COMPLIANCE WITH ANTI-TERRORISM LAWS**

You agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws. In connection with that compliance, you certify, represent, and warrant that none of your property or interests are subject to being blocked under, and that you otherwise are not in violation of, any of the Anti-Terrorism Laws. “**Anti-Terrorism Laws**” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you, or any blocking of your assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders, or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement also pertain to your obligations under this Section.

23. **SECURITY INTEREST**

You hereby collaterally assign to us the lease for the Premises for your Center and grant us a security interest in all of the Operating Assets and all other assets of your Center, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Center and sale of other assets, and proceeds and products of all those assets. You agree to execute such other

documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under the Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under the Agreement and at law. If an approved third-party lender requires that we subordinate our security interest in the assets of your Center as a condition to lending you working capital for the construction or operation of your Center, we will agree to subordinate pursuant to terms and conditions determined by us. The Agreement shall be deemed to be a security agreement and financing statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

24. NO RECOURSE AGAINST NON-PARTY AFFILIATES

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

25. SAFETY

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

26. ~~20.~~ ACKNOWLEDGMENTS

You acknowledge:

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

~~(b) That your business abilities and efforts are vital to your success.~~

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

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

~~(e) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Franchised Business franchise opportunity, and that we have not refused to answer any questions, inquiries, or requests.~~

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

[Signature page follows]

~~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.~~

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

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

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

1. The Premises of ~~the Franchised Business will be located at~~ your Center are:

2. The Territory ~~shall be~~ is:

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

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

3. The Initial Term of this Franchise Agreement will expire on _____ (which date will be 10 years after Opening Date).

4. The initial franchise fee shall be: ~~Sixty Thousand Dollars (\$60,000).~~ _____

5. The Royalty shall be calculated on a weekly basis, according to the weekly accounting and reporting periods established by the Franchisor. The Royalty fee shall be 6% of the Net Payments of the Franchised Business your Center for each period. *

~~* In the event that federal, state or local law or regulations, or state or professional licensing or regulatory rules prohibit you from paying the Royalty fee as a percentage of Net Payments of the Franchised Business, you and we will restructure the Royalty to a weekly fixed fee that will provide an equivalent economic compensation, and such fixed fee shall be modified annually (either greater or lesser), by January 31 of each year, to reflect changes in the revenue derived from the Franchised Business.~~

5. Opening Date: _____

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

Notices to Franchisor:

3700 Cahaba Beach Road
Birmingham, Alabama 35242

Notices to Franchisee:

Telecopy No. (205) 421-2069

Attn.: ~~Randy Johansen~~ Michael Chester

Email:

~~rjohansen@AMERICANFAMILYCARE.com~~ mchester@americanfamilycare.com

with a copy to:

(which shall not constitute notice to Franchisor)

Business and Franchise Law Group, LLC

2820 Columbiana Road, Suite 100

Birmingham, Alabama 35216

Telecopy No. (205) 979-1151

Attn.: David M. Tidmore

Email: ~~David@businessandfranchiselaw.org~~

AFC FRANCHISING, LLC, an Alabama
limited liability company.

By: _____

Title: _____

Dated: _____

Telephone: _____

~~Fax~~ Email: _____

Attn: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

**EXHIBIT B
TO THE FRANCHISE AGREEMENT**

SITE SELECTION ADDENDUM

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

AGREEMENT

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

(the “Site Selection Area”).

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

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

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

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

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

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

[Signatures ~~on following page:~~ follows]

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

AFC FRANCHISING, LLC, an Alabama
limited liability company.

By: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

**EXHIBIT C
TO THE FRANCHISE AGREEMENT**

LISTING OF OWNERSHIP INTERESTS

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

You and Your Owners

1. Form of Owner.

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

(b) Corporation, Limited Liability Company, or Partnership. You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____

. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

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

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

<u>Owner's Name</u>		<u>Percentage/Description of Interest</u>
<u>Full Name</u>	<u>Residential & Email Address</u>	<u>Percentage and Description of Interest Held</u>

- (a) _____
- (b) _____
- (c) _____
- (d) _____

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

AFC FRANCHISING, LLC, an Alabama limited liability company.

By: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

**EXHIBIT D
TO THE FRANCHISE AGREEMENT**

EDTA FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

_____(Name of Person or Legal Entity)
_____(ID Number)

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

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

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

Depositor: _____

By: _____

Name: _____

Title: _____

Date: _____

FOR OFFICE USE ONLY: LICENSE NUMBER _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

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

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

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

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

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

[Signature page follows]

~~The undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise, must be commenced in a state or federal court of competent jurisdiction in the state or judicial district in which we have our principal place of business at the time the action is commenced, and the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, the undersigned agrees that we may enforce this Guaranty and judgment orders in the courts of the state or states in which he or she is domiciled.~~

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

<u>DEVELOPER (IF DIFFERENT THAN FRANCHISEE)</u>
<u>Name:</u> _____
<u>Sign:</u> _____

GUARANTOR

<u>GUARANTOR(S)</u>	<u>SPOUSE(S)</u>
<u>Name:</u> _____	<u>Name:</u> _____
<u>Sign:</u> _____	<u>Sign:</u> _____
<u>Address:</u> _____ _____	<u>Address:</u> _____ _____
<u>Email:</u> _____	<u>Email:</u> _____
<u>Name:</u> _____	<u>Name:</u> _____
<u>Sign:</u> _____	<u>Sign:</u> _____
<u>Address:</u> _____ _____	<u>Address:</u> _____ _____
<u>Email:</u> _____	<u>Email:</u> _____

EXHIBIT F
TO THE FRANCHISE AGREEMENT

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

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

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

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

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

<u>My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.</u>	<u>INITIAL:</u>
<u>I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.</u>	<u>INITIAL:</u>
<u>PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.</u> <u>Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?</u> <u>Yes No (Initial Here: _____)</u> <u>If you selected "Yes," please describe the information you received on the lines below:</u>	<u>INITIAL:</u>

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

Witness

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

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

E-2

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

Sign: _____

~~Witness~~

Name: _____

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

Sign: _____

Name: _____

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

Sign: _____

Name: _____

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

EXHIBIT ~~A-1~~B****

AREA DEVELOPMENT AGREEMENT



AREA DEVELOPMENT AGREEMENT

AFC FRANCHISING, LLC

~~Edition Date: March 1, 2024~~

TABLE OF CONTENTS

	<u>Page No.</u>
I. GRANT.....	<u>21</u>
II. DEVELOPMENT FEE.....	<u>23</u>
III. DEVELOPMENT SCHEDULE.....	<u>23</u>
IV. TERM.....	3
V. DEFAULT.....	3
VII. TRANSFERABILITY.....	4
~~VIII. COVENANTS~~	~~4~~
~~IX~~ <u>VII.</u> NOTICES.....	<u>56</u>
~~XVIII.~~ INDEPENDENT CONTRACTOR AND INDEMNIFICATION.....	<u>56</u>
~~XIX.~~ NON-WAIVER.....	<u>57</u>
~~XIX.~~ SEVERABILITY AND CONSTRUCTION.....	<u>57</u>
XII. ENTIRE AGREEMENT-APPLICABLE LAW.....	<u>68</u>
~~XIII. ARBITRATION~~	~~6~~
~~XV~~ <u>XII.</u> ~~FORCE MAJEURE~~	~~6~~ <u>DISPUTE RESOLUTION</u>
<u>8</u>	
<u>XIII.</u> GUARANTY AND ASSUMPTION OF OBLIGATIONS.....	<u>811</u>
<u>XIV.</u> <u>COUNTERPARTS</u>	<u>11</u>

EXHIBIT A — Development Schedule

**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 ~~your~~ principal place of business ~~in Hoover~~ 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

WITNESSETH:

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”).

~~We, as a result of the expenditure of time, skill, and effort have developed (and continue to develop and modify) an urgent care center management system (“System”) relating to the management of urgent and/or accessible primary care centers that provide, through independent physicians and professionally licensed persons or entities, various levels of patient care services; all of which are provided by a physician, or medical personnel supervised by a physician, which include, without limitation, minor injuries, infections, workers compensation injuries, sports physicals, travel medicine, and colds and flu; and each center will be equipped with several exam rooms, X-Ray Equipment, on-site laboratory, and where permitted by law a pharmacy dispensing the most common urgent care medicine. As used herein, urgent care also includes accessible primary care.~~

~~The urgent care centers in the System operate under the “AFC and Design” and “AMERICAN FAMILY CARE” name and Marks and will be managed according to the System. The System has characteristics that currently include providing construction design, approved supplier relationships for site selection, medical and other equipment, supplies, furniture and fixtures, procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications all of which we may change, improve, and further develop.~~

~~We use, promote, and license certain trademarks, service marks, and other commercial symbols including the marks “AFC and Design” and “AMERICAN FAMILY CARE” in managing Centers, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for Centers.~~

~~B. We also grant to ~~persons~~franchisees who meet our qualifications, ~~and are willing to undertake the investment and effort, and~~ the right and obligation to acquire an agreed upon number of additional franchises for the development and operation of Centers (the “Area Development Agreement to develop businesses that will manage Centers using our System and Marks Rights”).~~

~~You have applied to us for the right to use the System. Your application has been approved by us in reliance upon all of the representations made in your application including those concerning your financial resources and the manner in which a Franchised Business will be owned and operated. 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 Centers and thereby agree to protect and preserve the goodwill of the Marks, and you must comply with this Agreement and all System Standards in order to maintain the high and consistent quality that is critical for Centers.~~

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:

II. ~~I.~~ GRANT

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

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

Area, and on such terms and conditions as we deem appropriate. For example, and without limitation, we and our affiliates may, ourselves or through third parties:

(1) develop, own and operate Centers anywhere outside the Development Area;

~~B. Except as otherwise provided in this Agreement, we will not establish, or license anyone other than you the right to establish, a Franchise in the Development Area prior to the termination of this Area Development Agreement.~~

(2) develop, own and operate, and license others to develop, own and operate, any other business that is not a Center anywhere in the world (including in your Development Area), even if such business offers and sells products and services that are the same as or similar to the products or services offered by Centers;

(3) except as provided in clause (1) above, use the Marks and System, and any other trademarks and systems, in connection with offering and selling, anywhere in the world (including in your Development Area), any products or services, whether or not the same as or similar to the products and services sold at or by the Centers, including through alternate channels of distribution such as telehealth, mail order pharmacy services, home care, mobile-labs, internet-based and at-home services, and other health, wellness and related products and services;

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

(5) create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, Centers, and the services and products offered by or at the Centers.

~~C. This Agreement is not a Franchise Agreement, and you shall have~~
are not granted any right under this Agreement to use our Marks or System in any manner our Marks by virtue hereof
~~for to develop, own or operate a Center.~~

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

~~D. You shall have no right under this Agreement to license others.~~

E. This Agreement is not subject to renewal.

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

~~F. You will sign our then-current form of Franchise Agreement for each Franchise to be developed hereunder; provided, however, that the Royalty Fee and Marketing Fee shall remain six~~

percent (6%) and one percent (1%), respectively, of Net Payments during the initial term of each agreement signed.

III. ~~II.~~ DEVELOPMENT FEE

You shall pay to us, upon execution of this Agreement, a development fee of \$_____ in the amount set forth in Exhibit A (the "Development Fee"), which fee shall be non-refundable and fully earned by us upon execution of this Agreement, ~~for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the exclusivity granted herein. The development fee represents a \$60,000 (100%). We will apply the Development Fee as a credit against the~~ initial franchise fee ~~for the first Franchise and a non-refundable deposit of \$10,000 for each additional franchise to be granted hereunder. The initial franchise fee for subsequent franchises under the Area Development Agreement is \$45,000~~ due under each Franchise Agreement you or your affiliates execute pursuant to this Agreement, subject to a maximum credit for all such Franchise Agreements, in the aggregate, equal to the total Development Fee. The balance of ~~the~~ initial franchise fee under each Franchise ~~Fee (of \$35,000)~~ Agreement executed pursuant to this Agreement will be due and payable upon execution of ~~each~~ such Franchise Agreement. You will have no right to recover from us, directly or indirectly, any portion of the Development Fees ~~which are~~ paid pursuant to this Section II.

IV. ~~III.~~ DEVELOPMENT SCHEDULE

~~You must have open and operating in the Development Area, pursuant to Franchise Agreements, the _____ Franchises set forth in Exhibit A by the corresponding date set forth therein ("Development Schedule").~~ Time is of the essence in this ~~a~~ Agreement, and we have no obligation under any circumstances to extend the Development Schedule. You hereby acknowledge that your timely development of the FranchisesCenters in the Development Area in accordance with Development Schedule (and each Development Period specified therein) is of material importance to us and you agree, as a condition to the continuance of the rights granted hereunder, to develop and ~~construct the Franchises~~ open Centers within the Development Area in ~~accordance with~~ full satisfaction of the Development Schedule; (and each Development Period thereof) and to operate such FranchisesCenters pursuant to the terms of their respective Franchise Agreements ~~and to maintain all such Franchises in operation during the term of this Agreement.~~ Your failure to ~~develop and operate the Franchises~~ open the Centers in accordance with the Development Schedule is a material breach of this Agreement; ~~however, our rights pursuant to Section V.C. of this Agreement shall be our exclusive remedies for your failure to meet.~~ The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Centers specified in the Development Schedule or during any particular Development Period. We are relying on your knowledge and expertise of the Development Area and your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations for each Development Period of the Development Schedule.

V. ~~IV.~~ TERM

~~A.~~ Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted to you hereunder shall expire on the ~~180th day after the date the last Franchise to be constructed~~ earlier of (i) the last day of the last Development Period under the Development Schedule, or (ii) the date on which the last Center required to be opened pursuant to the Development Schedule is opened for business; ~~except that the provisions of Section IV.B. shall, unless sooner terminated in accordance with the terms of this Agreement, continue in effect so long as you exercise your rights thereunder.~~

~~B. Right of First Refusal. If at any time within twenty-four (24) months after expiration of this Agreement, we determine that it is desirable to operate or license another to operate one or more additional Franchises in the Development Area, and provided you have timely complied with the Development Schedule and are then in compliance with all terms and conditions of all Franchise Agreements with us, you shall have a right of first refusal to obtain the development rights to such additional Franchises. You must notify us in writing within thirty (30) days of receipt of such notice whether you wish to acquire the development rights to all or any of such additional Franchises. If you exercise your right of first refusal, you agree to comply with the reasonable development schedule for such additional Franchises. If you do not exercise this right of first refusal, in whole or in part, we may, within thirty (30) days from the expiration of such 30-day period, grant the development rights to any other person or persons on the same terms and conditions or we may elect to develop and construct any such Franchises in the Development Area. Further, in the event you fail or refuse to exercise your right of first refusal, this Area Development Agreement shall terminate.~~

VI. ~~V.~~ **DEFAULT**

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

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

C. ~~C.~~ If (i) you fail to meet the Development Schedule; or fail to make progress in the development of Centers to indicate, in our determination, that you will not be able to satisfy your development obligations under this Agreement for the then-current Development Period; (ii) if you fail to comply with any other terms and conditions of this Agreement or any Franchise Agreement and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you or commence such cure within the 30-day period and diligently pursue such cure to completion; (iii) you or your owners make or attempt to make an unauthorized transfer or assignment in violation of Section VII.B. hereof; (iv) you or your owners make or have made any misrepresentation to us in connection with obtaining this Agreement; (v) you, your owners, or your employees or agents use the System or our Marks except pursuant to and in accordance with a valid and in-effective Franchise Agreement; if; (vi) you or your owners are convicted of a felony or any crime involving moral turpitude or upon completion of the Development Schedule, or you close one (1) or more of the Franchises, such action shall constitute a default under this Area Development Agreement. Upon any, or if you or your owners engage in any conduct which, in our opinion, adversely affects the reputation of any Center or the goodwill associated with the Marks; or (vii) if or your owners are in default of your or their obligations under any agreement with us or our affiliates and fail to cure such default; within the applicable cure period (if any), then we, in our discretion, may do any one or more of the following, effective immediately on delivery of written notice to you:

1. ~~T~~erminate this Agreement and all rights granted hereunder without affording you any ~~further~~additional opportunity to cure the default, ~~effective immediately upon receipt of written notice by you;~~

2. ~~Terminate the territorial exclusivity granted to you hereunder or reduce~~ or reconfigure the Development Area ~~granted you hereunder~~; and/or

3. ~~Develop the~~ terminate the exclusivity granted to you in Section I.B above and thereafter ~~D~~ development Area—or license others to ~~establish Franchises~~ develop Centers in the Development Area, except as may otherwise be provided under any Franchise Agreement which has been executed between us and you or your affiliate pursuant to this Agreement.

D. ~~D.~~ Upon termination or expiration of this Agreement, you ~~shall have no right to establish or operate any Franchise for which a Franchise Agreement has not been executed by us. We~~ cannot exercise any rights granted to you under this Agreement, and we shall be entitled to ~~establish and~~ touse the Marks and System without restriction, including by establishing and license ~~ing~~ others to establish ~~Franchises~~ Centers in the Development Area, except ~~as may be otherwise provided under~~ to the extent any portion of the Development Area is included in the protected territory granted pursuant to any Franchise Agreement which has been executed between us. ~~No~~ and you or your affiliate pursuant to this Agreement. The fact that a default has been committed under this ~~Area Development~~ Agreement shall not, in itself, constitute a default under any Franchise Agreement ~~between the parties hereto.~~ executed pursuant to this Agreement. However, all of your (and your owners') obligations that expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to indemnification.

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

VII. ~~VI.~~ TRANSFERABILITY

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

B. ~~B.~~ You understand and acknowledge that the rights and duties set forth in this ~~Area Development~~ Agreement are personal to you and your owners and are granted in reliance upon your and your owners' business experience, personal qualifications, ~~including~~ financial condition, etc. You have represented to us that you are entering into this ~~Area Development~~ Agreement with the intention of complying with your terms and conditions and not for the purpose of resale of the developmental rights hereunder. You ~~shall not, your owners, and your and their permitted successors or assigns shall not market or advertise for sale,~~ sell, pledge, assign ~~or,~~ transfer, convey, give away, mortgage, or otherwise dispose of or encumber any interest in this ~~Area Development~~ Agreement or in you ~~or your entity without our prior written approval, which approval shall be granted on the same terms and conditions as set forth in Section 12 of the Franchise Agreement. You agree that any attempt to assign or transfer any interest in you, your entity, or in this Agreement without our prior written approval shall be deemed an event of default. All the terms and conditions of Section 12 of the Franchise Agreement with respect to transferability of interest, including, without limitation, transfers upon death or incapacity, shall apply to this Area Development Agreement.~~ (collectively, a "transfer").

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

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

VII. COVENANTS

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

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

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

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

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

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

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

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

~~You covenant that, except as otherwise approved in writing by us, during the term of this Agreement and for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause for termination, you shall not do or engage in any act prohibited by Sections 7 and 15.4 of the Franchise Agreement.~~

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

VIII. ~~VIII.~~ **NOTICES**

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

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

Notices to ~~YOU~~you: _____

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

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

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

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

IX. ~~IX.~~ **INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

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

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

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

D. You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, managers, directors, officers, employees, agents, successors, and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party’s intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section VIII.D.

X. ~~X.~~ **NON-WAIVER**

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

XI. ~~XI.~~ **SEVERABILITY AND CONSTRUCTION**

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

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

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

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

XII. ~~XII.~~ ENTIRE AGREEMENT-APPLICABLE LAW

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

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Indiana, Illinois, Maryland, Michigan, Minnesota, North Dakota, New York, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

XIII. DISPUTE RESOLUTION

A. We and you agree that all controversies, disputes, or claims between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be

conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor's or assign's then current principal place of business (currently, Hoover, Alabama). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

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

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

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

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

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

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

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

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

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

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

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

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR

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

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

XIV. GUARANTY AND ASSUMPTION OF OBLIGATIONS

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

XV. COUNTERPARTS

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

[SIGNATURE PAGE FOLLOWS]

XIII. ARBITRATION

~~A. Disputes Subject to Arbitration. Except as expressly provided to the contrary in of the Franchise Agreement, all disputes and controversies between you and us including allegations of fraud, misrepresentation and violation of any state or federal laws or regulations, arising under, as a result of, or in connection with this Agreement, the Premises or the Franchise are subject to and will be resolved exclusively by arbitration conducted in accordance with the Commercial Rules and Regulations of the American Arbitration Association. Arbitration shall be subject to and governed by Section 17.5 of the Franchise Agreement.~~

~~B. Notice of Dispute. The party alleging the dispute must provide the other party with written notice setting forth the alleged dispute in detail. The party who receives written notice alleging the dispute will have thirty (30) days after receipt of the written notice to resolve the dispute specified in the written notice. If the written notice alleges that you are delinquent in the payment of any fees or other payments payable to us, you will have ten (10) days to make full payment (including interest and administrative fees as provided for herein) to us.~~

XIV. FORCE MAJEURE

~~If any party's performance of any obligation under this Agreement is prevented, hindered or delayed because of force majeure and not through any act or omission of such party, which cannot be overcome by use of normal commercial measures, the parties shall be relieved of their respective obligations to the extent the parties are respectively necessarily prevented, hindered or delayed in the performance during the period of force majeure. As used in this Agreement, the term "force majeure" shall mean any act of God, strike, lockout or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government (including rejection of any license application) and any other similar cause not within the control of the affected party. The party whose performance is affected by an event of force majeure shall give prompt notice of the force majeure event to the other party by telephone or facsimile (in each case to be confirmed in writing) setting forth the nature of the event, an estimate as to your duration and a plan for resuming compliance with this Agreement, which the party shall promptly undertake and maintain with due diligence.~~

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

ATTEST:

AFC FRANCHISING, LLC

**AFC FRANCHISING, LLC, an Alabama
limited liability company**

DEVELOPER:

[Name]

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

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

By: _____

By: _____

As its _____

Witness

Witness

As its _____
YOU:

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN AEC FRANCHISING, LLC AND

DATED _____, 20____

1. The Development Area is the geographical area described as follows:

Any political boundaries described above shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

2. As of the end of each Development Period set forth below, you must have open and in operation in the Development Area, pursuant to Franchise Agreements, the number of Centers set forth below:

<u>Development Period</u>	<u>New Centers Opened During Development Period*</u>	<u>New Centers Operating by End of Development Period*</u>
<u>_____ to _____</u>		
<u>_____ to _____</u>		
<u>_____ to _____</u>		
<u>_____ to _____</u>		
<u>_____ to _____</u>		

*Includes the Center developed or to be developed pursuant to the Franchise Agreement signed immediately prior to execution of this Agreement.

For purposes hereof, a Center that is permanently closed after having been opened, other than as a result of noncompliance by you with the terms of the applicable Franchise Agreement, shall be deemed open for a period of 6 months after the last day it was open for business, provided that: (i) during such period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Center within the Development Area pursuant to a new Franchise Agreement therefor; and (ii) by the end of such 6 month period or Development Period, whichever is later, you have the replacement Center open and operating in compliance with the Franchise Agreement therefor.

3. The Development Fee shall be _____ Dollars (\$ _____), credited toward the initial franchise fees under Franchise Agreements as follows:

- a. 1st Franchise Agreement - \$25,000
- b. 2nd Franchise Agreement - \$22,500 each
- c. 3rd Franchise Agreement (as applicable) - \$22,500
- d. 4th and subsequent Franchise Agreements (as applicable) - \$18,000 each

4. Developer Owners.

<u>Name</u>	<u>Residential And Email Address</u>	<u>Type _____ of</u> <u>Interest</u>	<u>Percentage Held</u>
<u>Managing Owner:</u>			

FRANCHISOR:

AFC FRANCHISING, LLC
An Alabama limited liability company

DEVELOPER:

By: _____
 Print Name: _____
 Title: _____

By: _____
 Print Name: _____
 Title: _____

EXHIBIT B
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN AFC FRANCHISING, LLC AND

DATED _____, 20_____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

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

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith (the "Agreement") by AFC Franchising, LLC ("we," "us," or "our"), the undersigned hereby personally and unconditionally: (1) guarantees to us, and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Developer") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) ~~shall~~ agrees to be personally be bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (4) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he or she may be entitled.

The undersigned consents and agrees that: (1) he or she will render any payment or performance required under this Agreement upon demand if Developer fails or refuses punctually to do so; (2) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (3) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; ~~and (4) this Guaranty will continue in full force and effect for (and as to) any extension or modification of this Agreement and despite the transfer of any interest in this Agreement or Developer, and the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; provided, however, that in the event of a complete and total transfer of all assets and ownership interests in Developer and in this Agreement, such that a Guarantor has no ownership interest in Developer or this Agreement ("Transfer"), this Guaranty shall terminate as of the date of the Transfer with respect to any obligations that arise as of or after the Transfer;~~ at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Developer under the Agreement; and (5) his or her direct and immediate liability under this Guaranty and Assumption of Obligations will be joint and several, both with Developer and other guarantors.

The undersigned consents and agrees that any claims he or she may have against Developer or any third-party are, and will be, subordinate to this Guaranty and Assumption of Obligations.

The provisions of Sections IX. to XII. of the Agreement are incorporated into this Guaranty and Assumption of Obligations by reference and shall govern this Guaranty and Assumption of Obligations and any disputes between the undersigned guarantors and us. The undersigned guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty and Assumption of Obligations.

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

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

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

IN WITNESS WHEREOF, the undersigned has hereunto signed this Guaranty and Assumption of Obligations on the same day and year as the Agreement was executed.

GUARANTOR:

<u>GUARANTORS:</u>	<u>SPOUSES OF GUARANTORS:</u>

<u>Name:</u> _____ <u>Sign:</u> _____ <u>Address:</u> _____ _____ _____ <u>Email:</u> _____	<u>Name:</u> _____ <u>Sign:</u> _____ <u>Address:</u> _____ _____ _____ <u>Email:</u> _____
<u>Name:</u> _____ <u>Sign:</u> _____ <u>Address:</u> _____ _____ _____ <u>Email:</u> _____	<u>Name:</u> _____ <u>Sign:</u> _____ <u>Address:</u> _____ _____ _____ <u>Email:</u> _____

Print Name: _____

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT
BETWEEN AFC FRANCHISING, LLC AND

DATED _____, 20____

1. The Development Area is the geographical area described as follows:

Any political boundaries described above shall be considered fixed as of the date of this agreement and shall not change for the purpose hereof, notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

2. You must have open and in operation in the Development Area, pursuant to Franchise Agreements, that cumulative number of Franchises set forth below as of each of the following dates:

Cumulative Number of Franchises

Date

For purposes hereof, a Franchise that is permanently closed after having been opened, other than as a result of noncompliance by you with the terms of the applicable Franchise Agreement, shall be deemed open for a period of 6 months after the last day it was open for business, provided that: (i) during such period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Franchise within the Development Area pursuant to a new Franchise Agreement therefor; and (ii) by the end of such period you have the substitute Franchise open and operating in compliance with the Franchise Agreement therefor.

3. The development fee shall be _____ Dollars (\$ _____), representing ~~Sixty Thousand Dollars (\$60,000)~~ or 100% of the initial franchise fee for the first Franchise and a non-refundable deposit of \$10,000 of the initial franchise fee due pursuant to the Franchise Agreement for each additional franchise to be granted hereunder. The initial franchisee fee for subsequent franchises under the Area Development Agreement is \$45,000. The balance of the Franchise Fee (\$35,000) will be due and payable upon execution of each Franchise Agreement.

FRANCHISOR:

AFC FRANCHISING, LLC

An Alabama limited liability company

By: _____

Print Name: _____

Title: _____

YOU:

EXHIBIT C
CONVERSION ADDENDUM

**CONVERSION ADDENDUM TO ~~THE~~
AFC FRANCHISING, LLC FRANCHISE AGREEMENT**

THIS CONVERSION ADDENDUM to ~~the AFC Franchising, LLC~~ Franchise Agreement (~~the “Conversion this “Addendum”~~) by and between AFC Franchising, LLC (“~~us~~” or “~~we~~”), and _____ (“~~you~~” or “~~you~~”) is entered into simultaneously with, ~~and shall be effective as of the Effective Date of,~~ the Franchise Agreement (as defined below).

Preamble and BackgroundRECITALS

A. ~~A.~~ You currently own and operate an existing urgent care center at the Premises (the “**Existing Center**”) and have requested that we allow you to convert it to a Center and, once converted, operate it pursuant to the Franchise Agreement.

B. ~~B.~~ You and we are entering into this Conversion Addendum to modify certain terms of the Franchise Agreement to accommodate the fact that the Existing Center is an existing business that will be converted to a Center.

C. ~~C.~~ All terms used but not defined in this Addendum shall have the meanings given them in the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Addendum and in the Franchise Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, ~~intending to be legally bound,~~ agree as follows:

1. Certain Definitions. The section of the Franchise Agreement entitled “Certain Definitions” is supplemented and amended as follows:

(a) ~~a.~~ Competitive Business. The definition of “Competitive Business” is supplemented and amended by adding the following to the end of the paragraph:

Notwithstanding the foregoing and subject to your compliance with this Conversion Addendum, the Existing Center shall not be considered a Competitive Business prior to its conversion to a Center.

(b) ~~b.~~ Opening Date. The definition of “Opening Date” is deleted and replaced with the following:

“**Opening Date**” – the date on which, with our approval, you commence operation of your Center in accordance with the Franchise Agreement and this Conversion Addendum.

(c) ~~e.~~ Premises. The definition of “Premises” is deleted and replaced with the following:

“**Premises**” – the premises identified on Schedule A to this Conversion Addendum.

2. Location Acceptance. Section 2.1 of the Franchise Agreement is supplemented and amended as follows:

~~a.~~ Unless and except to the extent any amendments are required pursuant to the Conversion Plan (defined below), your existing lease of the Premises is deemed accepted; and

~~b. The requirement to pay a lease review fee is hereby deleted. [confirm]~~

3. Center Development. Section 2.2 of the Franchise Agreement is supplemented and amended by adding the following to the end of the Section:

You agree that your responsibilities described in this Section include the obligation to satisfy all requirements set forth in the Conversion Plan attached as Schedule A to this Conversion Addendum.

4. Royalty and Marketing Fund Contributions. You and we agree that your obligation to pay Royalty under Section 3.2 and Marketing Fund Contributions under Section 9.2 of the Franchise Agreement until you have commenced business as a Center.

5. Construction Management Service Fee. Section 3.6 of the Franchise Agreement (Construction Management Service Fee) is hereby deleted in its entirety.

6. Grand Opening Advertising Program. Section 9.4 of the Franchise Agreement (Grand Opening Advertising Program) is supplemented and amended by adding the following to the end of the Section:

Notwithstanding the foregoing, the “Grand Opening Advertising Program referenced in this Section shall mean a re-grand opening program to promote the conversion of the Existing Center to a Center.

7. Additional Acknowledgements. You represent and warrant that, prior to the Effective Date, neither you nor the Existing Center or its operations were associated with, a party to a contract with, or otherwise obligated to any third party pursuant to a license, franchise, joint venture, marketing or other such agreement.

8. Integration and Effect. This Addendum is an integral part of, and be incorporated into, the Franchise Agreement as if fully set forth therein. The provisions of this Addendum will govern, control, and supersede any inconsistent or conflicting provisions of the Franchise

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

[sSignatures appear on the following page follows]

~~{signature page to Conversion Addendum}~~

IN WITNESS WHEREOF, the parties ~~hereto, intending to be legally bound hereby have~~
~~duly executed this Conversion Addendum~~have executed and delivered this Agreement on the dates
noted below, to be effective as of the Effective Date.

AFC FRANCHISING, LLC, an Alabama
limited liability company;

By: _____

Title: _____

Dated: _____

FRANCHISEE:

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

SCHEDULE A TO CONVERSION ADDENDUM

Conversion Plan

1. In addition to complying with all other obligations under the Franchise Agreement prior to commencing operation of the Center, you agree to do the following in connection with the conversion of the Existing Center (the “**Conversion Plan**”):
 - a. [describe required modifications and upgrades to the interior and exterior of the Existing Center including, for example, patient waiting areas, registration areas, patient rooms; new fixtures, furnishings, and signage; etc.];
 - b. purchasing and adding to the Existing Center new and/or upgraded equipment for medical and health occupational treatment and care or other Operating Assets as required by the Franchise Agreement;
 - c. upgrading and/or replacing your computer equipment to comply with our specifications for Computer Systems as described in the Franchise Agreement; and
 - d. removal of fixtures, furnishings, and equipment that do not comply with our required standards and specifications]
2. You may not use the Marks or System in connection with the operation of the Existing Center, either along or in conjunction with the trademarks or system utilized by the Existing Center, until you have received our written approval of your completion of the Conversion Plan and are otherwise in compliance with Section 2.5 of the Franchise Agreement.
3. You must complete and receive our written acknowledgement of your completion of the Conversion Plan, complete all other pre-opening requirements of the Franchise Agreement (including, without limitation, training requirements), obtain our written approval to begin operating the Center, and have begun operating the Center under the identification of the Marks by no later than [____], 20[____].

EXHIBIT D

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT D

~~LIST OF~~ STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

~~We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with 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:~~

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

~~STATE OF CALIFORNIA~~, Department of Investor Protection and Innovation, 320 West Fourth Street, Suite 750, Los Angeles, California 90013-2344; Telephone: (213) 576-7500; (866) 275-2677 (toll free)
ALABAMA

~~STATE OF CONNECTICUT~~, Banking Commissioner, 44 Capitol Avenue, Hartford, Connecticut 06106; Telephone: (203) 566-4560.

(agent for service of process)

Attn: Michael Chester
3700 Cahaba Beach Road,
Birmingham, Alabama 35244

CALIFORNIA

Department of Financial Protection &
Innovation:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7500

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce
and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer
Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
~~STATE OF ILLINOIS, Illinois Attorney General, 500 South Second Street,~~
~~Springfield, Illinois 62706; Telephone:~~
~~(217) 782-4465~~

~~STATE OF INDIANA, Secretary of State, Franchise Section, 302 West Washington, Room E-111,~~
~~Indianapolis, Indiana 46204; Telephone: (317) 232-6681~~

~~STATE OF MARYLAND, Office of the Attorney General, Securities Division, 200 St. Paul Place,~~
~~Baltimore, Maryland 21202-2021; Telephone: (410) 576-6360~~

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

~~STATE OF~~ MICHIGAN

(state administrator)

Michigan Attorney General's Office, ~~Consumer Protection Div., Franchise Section, 525 West Ottawa Street,~~
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor;
525 West Ottawa Street
Lansing, Michigan ~~48913~~; ~~Telephone: 48909~~
(517) 373-7117

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

~~STATE OF~~ MINNESOTA, ~~Commissioner of Commerce, Minnesota Commerce Department,~~

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280;
St. Paul, Minnesota 55101; ~~Telephone:~~
(651) 539-1600

~~STATE OF NEBRASKA~~, ~~Nebraska Department of Banking and Finance, P. O. Box 95006, Lincoln,~~
~~Nebraska 68508-2732; Telephone: (402) 471-2171~~

NEW YORK

[\(state administrator\)](#)

[NYS Department of Law](#)
[Franchise Section](#)

~~STATE OF NEW YORK, New York State Department of Law, Investor Protection Bureau, 28 Liberty Street, 21st Floor;
New York, New York NY 10005; Telephone:
(212) 416-8236 Phone
(212) 416-6042 Fax~~

~~STATE OF RHODE ISLAND, Department of Business Regulation, Securities Division, Bldg. 68-2, 1511 Pontiac Avenue, Cranston, Rhode Island 02920; Telephone: (401) 462-9585
(agent for service of process)~~

~~STATE OF TEXAS, Secretary of State, 1019 Brazos, Austin, Texas 78701; Telephone: (512) 475-1769.
[Attention: New York Secretary of State](#)
[New York Department of State](#)
[One Commerce Plaza,](#)
[99 Washington Avenue, 6th Floor](#)
[Albany, NY 12231-0001](#)
[\(518\) 473-2492](#)
[NORTH DAKOTA](#)~~

~~STATE OF UTAH, Department of Commerce, 160 East 300 South, Salt Lake City, Utah 84111; Telephone (801) 530-6701
(state administrator)~~

~~STATE OF VIRGINIA, Director, Securities and Retail Franchising Division, State Corporation Commission, 1300 East Main Street, 9th Floor, Richmond, Virginia 23219; Telephone: (804) 371-9051
[North Dakota Securities Department](#)
[600 East Boulevard Avenue](#)
[State Capitol – Fourteenth Floor](#)
[Bismarck, North Dakota 58505](#)
[\(701\) 328-4712](#)~~

~~STATE OF WASHINGTON, Department of Financial Institutions, Securities Division – 3rd Floor, 150 Israel Road, S.W., Tumwater, Washington 98501; Telephone: (360) 902-8760
(agent for service of process)~~

~~STATE OF WISCONSIN, Office of the Commissioner of Securities, 201 W. Washington Ave., Suite 300, Madison, Wisconsin 53703; Telephone: (608) 261-9555~~

~~EXHIBIT E~~Securities Commissioner
600 East Boulevard Avenue
State Capitol - Fourteenth Floor
Bismarck, North Dakota 58505
(701) 328-4712

AGENTS FOR SERVICE OF PROCESS
OREGON

Our agent for service of process is Randy Johansen, located at 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (205) 403-8902. Additionally, we intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with 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:

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

~~STATE OF ALABAMA~~, Randy Johansen, 3700 Cahaba Beach Road, Birmingham, Alabama 35244

RHODE ISLAND

~~STATE OF CALIFORNIA~~, Department of Investor Protection and Innovation, 320 West Fourth Street, Suite 750, Los Angeles, California 90013-2344

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1

~~STATE OF CONNECTICUT~~, Banking Commissioner, 44 Capitol Avenue, Hartford, Connecticut 06106

~~STATE OF ILLINOIS~~, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706

~~STATE OF INDIANA~~, Secretary of State, 302 West Washington, Room E-111, Indianapolis, Indiana 46204

~~STATE OF MARYLAND~~, Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202-2021

~~STATE OF MICHIGAN~~, Department of the Attorney General’s Office, Consumer Protection Div., Franchise Section, 525 West Ottawa Street, G. Mennen Williams Building, Lansing, Michigan 48913

~~STATE OF MINNESOTA~~, Minnesota Commerce Department, 85 7th Place East, Suite 280, St. Paul, Minnesota 55101

~~STATE OF NEBRASKA~~, Nebraska Department of Banking and Finance, P. O. Box 95006, Lincoln, Nebraska 68508-2732; Telephone: (402) 471-2171

~~STATE OF NEW YORK~~, New York Department State, ATTN: New York Secretary of State, One Commerce Plaza, 99 Washington Avenue, 6th Floor, Albany, NY 12231

~~STATE OF RHODE ISLAND~~, Department of Business Regulation, Securities Division, Bldg. 69, First Floor, 1511 Pontiac Avenue, Cranston, Rhode Island 02920
(401) 462-9500

~~STATE OF TEXAS~~, Secretary of State, 1019 Brazos, Austin, Texas 78701

SOUTH DAKOTA

~~STATE OF UTAH~~, Department of Commerce, 160 East 300 South, Salt Lake City, Utah 84111; Telephone (801) 530-6701

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

~~STATE OF VIRGINIA~~,

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission,
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

~~STATE OF~~ WASHINGTON,

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

(agent for service of process)

Director

Department of Financial Institutions, ~~Securities~~
~~Division—3rd Floor,~~
Securities Division
150 Israel Road, S.W.,
Tumwater, Washington 98501

~~STATE — OF —~~ WISCONSIN, ~~Wisconsin~~
~~Commissioner of Securities, Department of~~
~~Financial Institutions, Division of Securities, 201~~
~~W. Washington Ave., Suite 300, Madison,~~
~~Wisconsin 53703~~

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT FE

LIST OF CURRENT FRANCHISEES
LIST OF FRANCHISEES (CURRENT FRANCHISEES AND FRANCHISEES WHO HAVE
LEFT THE SYSTEM OR NOT COMMUNICATED WITH FRANCHISOR)

Svetlana Kertanova
5825 Kanan Road
Agoura Hills, CA 91301
(425) 341-4577

AFC Franchising, LLC

OPEN CENTERS AS OF DECEMBER 31, 2024

			33.	Urgent Care Solutions, LLC³	3800 Irving Street.	Denver	Colorado	80211
			34.	Urgent Care Solutions, LLC³	850 South Monaco Parkway, Suite 10	Denver	Colorado	80224-1569
			35.	MTM Urgent Care Solutions, LLC	901 W Hampden Ave, Suite 103	Englewood	Colorado	80110-7330
			36.	Pursuit Medical Centers, LLC	2804 S Timberline Rd.	Fort Collins	Colorado	80525
			37.	Urgent Care Solutions, LLC³	760 South Colorado Blvd, Unit A	Glendale	Colorado	80246-1900
			38.	Bloom 4531, LLC³	995 Independent Ave.	Grand Junction	Colorado	81505
			39.	Ronan Health, LLC	12105 West Alameda Parkway, Suite 100	Lakewood	Colorado	80228
Entity Name	Center Address	State	Zip	Center Phone #				
			40.	Here and Now Healthcare, INC	998 E. Remington Pl.	Littleton	Colorado	80128
	5825 Kanan Rd.	California	41.	GOM Medical Group, LLC	589 E. Hoover (312) 341-4607	Longmont	Colorado	80501
hents Anaheim,	1711 W Katella Avenue,	California	42.	GOM Medical Group, LLC	1335 E South Boulder Road, Unit C, Louisville Plaza	Louisville	Colorado	80027
	2455 Sand Creek Unit 14	California	43.	Bromwell Health, LLC	2694 East 120th Ave. 4876	Thornton	Colorado	80233
LC	4200 Chino Hills Pkwy, Unit #800	California	44.	Quentin Medical Group, LLC	161 Boston Avenue	Bridgeport	Connecticut	06610
erprises LLC	760 Otay Lakes Road,	California	45.	QMG4, LLC	4200 Main Street	Bridgeport	Connecticut	06606
ies, Inc	3656 W Shaw Avenue,	California	46.	Sula Vista, LLC	1915 Black Rock Turnpike	Fairfield	Connecticut	06825
	16912 San Fernando Mission Blvd.	California	47.	PESHO, LLC	5237 Hill St. (559) 550-6701	New Haven	Connecticut	06511
hents LLC	27522 Antonio Pkwy,	California	48.	QMGadHLs	387 Bridgeport (860) 486-6160	Shelton	Connecticut	06484
hCare, Inc	5311 Hopyard Rd.,	California	49.	Pinecroft Capital Advisors, Mission Viejo	3090 Summer (847) 67-3141	Stamford	Connecticut	06905
L Services	191 East Alessandro Blvd, Suite 9A	California	50.	Pleasanton, LLC	5735 Monroe (925) 202-2478	Trumbull	Connecticut	06842
erprises, LLC	5671 Balboa Avenue,	California	51.	HealthNation, LLC	340508 Mill (861) 749-5511	West Haven	Connecticut	06516
erprises, LLC	8260 Mira Mesa Blvd, A	California	52.	Sunshine Family Care, LLC	1031 N SR 43 (850) 800-0680	Altamonte Springs	Florida	32714
erprises V, LLC	8590 Rio San Diego Drive, #111	California	53.	San Diego Healthcare Systems, LLC	92126 (858) 900-3550	Bradenton	Florida	34202
erprises VI, LLC	1740 Rosecrans St.,	California	54.	Sunshine Family Care, LLC	3385 S US Hwy 47 (920) 220-5900	Casselberry	Florida	32707
hcare, Inc	594 El Camino Real,	California	55.	Unique Healthcare Systems, LLC	265050 (408) 516-2233	Clearwater	Florida	33760
ement, LLC	19042 Soledad Canyon Rd,	California	56.	Santa Clarita Unique Healthcare Systems, LLC	91351 (661) 251-6300			
erprises, LLC	10538 Mission Gorge Road, Suite 100	California	57.	Santee	1440 Main Street, Suite A (619) 456-0033	Dunedin	Florida	34698
nily Urgent	24329 Crenshaw Blvd., Suite A	California	58.	EB Health Solutions, LLC Torrance	2501 E. Hallandale Beach Blvd. (310) 868-8100	Hallandale Beach	Florida	33009
ement, LLC	27550 Newhall Ranch Road, Unit 203	California	59.	Unique Healthcare Systems, Valencia	2506 US Hwy 19 (661) 251-6300	Holiday	Florida	34691
, LLC	6335 Sheridan Blvd.,	Colorado	60.	Spearhead Healthcare, Inc. Aurora	5842 Hollywood Boulevard (303) 343-6000	Hollywood	Florida	33021-9998
	15372 E. Alameda Pkwy	Colorado	61.	Unique Healthcare Systems, Aurora	80017 (303) 529-1100	Largo	Florida	33771
olutions, LLC³	10552 E Arizona Pl,	Colorado	62.	Aurora	9040 Emerson Road (303) 343-6000			
	7460 S. Gartrell Rd.,	Colorado	63.	Unique Healthcare Systems, Aurora	710016 (303) 529-3300	Pinellas Park	Florida	33781
l Group	2795 Pearl St., Unit 106	Colorado	64.	Boulder	80302 (720) 961-9700	Port Charlotte	Florida	33948
l Group, LLC	4800 Baseline Rd, Unit D166	Colorado	65.	Boulder	1980 Cochran Blvd. (720) 961-9700			
	5700 New Abbey Lane, Promenade at Castle Rock	Colorado	66.	Unique Healthcare Systems, Castle Rock	118008 (303) 963-9730	Riverview	Florida	33569
ess Services	8006 E. Arapahoe Road, Suite 100	Colorado	67.	Unique Healthcare Systems, Centennial	2280162 (303) 220-9168	Saint Petersburg	Florida	33710
LLC³	1942 E. Main St.,	Colorado	68.	Unique Healthcare Systems, Denver	81321 (970) 516-5500	Seminole	Florida	33772
olutions, LLC³	1295 Colorado Blvd.	Colorado	69.	Denver	80206 (303) 639-1000	Spring Hill	Florida	34609
olutions, LLC³	2848 Colorado Blvd.	Colorado	70.	Code Purple, LLC Denver	11234 Spring Hill Dr, Suite 10 (303) 341-1100			
olutions, LLC³	2290 S Colorado Blvd.	Colorado	71.	Shaw and Associates, LLC	5001 Peachtree Boulevard, Suite 115 (303) 756-4500	Chamblee	Georgia	30341
olutions, LLC³	777 East Speer Blvd.	Colorado	72.	Denver	80222 (303) 733-4000	Dalton	Georgia	30720

Entity Name	Center Address	City	State	Zip Code	Center Phone #			
Medical LLC	4069 Cherokee St. NW Suite 400	Sedalia	Missouri	65301	115 W. Broadway Blvd. #100	Sedalia	Missouri	65301
Health, LLC	1401 Johnson Ferry Rd. Suite 390	Omaha	Nebraska	68164	4004 N. 132nd Street, Suite 101	Omaha	Nebraska	68164
LLC	6841 Dempster St.	Sparks	Nevada	89434	3080063ta Bk(470) 250-1492	Sparks	Nevada	89434
al Care, LLC	1355 E. Ogden Ave., #109	Hudson	New Hampshire	03051	3800506 One D(847) 833-9999	Hudson	New Hampshire	03051
al Care, LLC	980 Plainfield Road	Aberdeen	New Jersey	07747	60563 (630) 984-9480	Aberdeen	New Jersey	07747
l Group, LLC	3161 North Rock Road, Suite A	Belleville	New Jersey	07109	1120 Route 54 (630) 541-6679	Belleville	New Jersey	07109
ompany, LLC	230 Waterman Drive	Bloomfield	New Jersey	07003	5067226 Shing(616) 440-2712	Bloomfield	New Jersey	07003
h Management,	3059 Solomons Island Road	Bound Brook	New Jersey	08805	224 Bloomfield Ave(201) 358-3188	Bound Brook	New Jersey	08805
are, Inc	802 Pleasant Drive	Cedar Grove	New Jersey	07009	601 W. Union Ave. (201) 956-3394	Cedar Grove	New Jersey	07009
LLC	1398 Massachusetts Avenue Unit #31	Clark	New Jersey	07066	480 Pompton Avenue, Suite 6 (201) 771-0801	Clark	New Jersey	07066
th Urgent Care,	154 Great Road	Clifton	New Jersey	07012	770 Central Ave. (781) 648-4572	Clifton	New Jersey	07012
ses, LP	50 Dodge Street	Denville	New Jersey	07834	889 Allwood Rd. (781) 430-8161	Denville	New Jersey	07834
gent Care, LLC	575 Boylston St.	Deptford	New Jersey	08096	3130 Nl-10 (978) 922-2171	Deptford	New Jersey	08096
elpers Braintree,	485 Granite Street	East Hanover	New Jersey	07936	1430 Dalseg Drive (978) 869-0500	East Hanover	New Jersey	07936
t Care, LLC	90 Middlesex Turnpike	Elizabeth	New Jersey	07208	154 Route 10 (781) 848-2273	Elizabeth	New Jersey	07208
elpers LLC	45 Drumhill Road	Gloucester Township	New Jersey	08021-5617	400 Westfield Avenue (781) 276-4700	Gloucester Township	New Jersey	08021-5617
	296 Main Street	Haledon	New Jersey	07508	208 College Drive, Suite 11 (978) 446-7515	Haledon	New Jersey	07508
alley Urgent	380 Merrimack Street	Hamilton Township	New Jersey	08610	1503 (978) 203-3689	Hamilton Township	New Jersey	08610
alley Urgent	129 Turnpike Street	Hillsdale	New Jersey	07642	1085841 White Horse (978) 470-0800	Hillsdale	New Jersey	07642
	956 Boston Providence Hwy.	Kearny	New Jersey	07032	276 Passaic Ave Unit A (978) 395-4400	Kearny	New Jersey	07032
Convenient	339 Squire Rd. Suite 130	Little Ferry	New Jersey	07643	1030 W. Edgar Rd. (781) 354-1485	Little Ferry	New Jersey	07643
ent Care, LLC	16 Main Street	Livingston	New Jersey	07039	9002180 Stoughton Ave. (781) 279-4000	Livingston	New Jersey	07039
ses, LP	450 Paradise Road	Lodi	New Jersey	07644	2 Memorial Drive (781) 691-9366	Lodi	New Jersey	07644
Care, LLC	1030 Main Street	Lyndhurst	New Jersey	07071	560 New York Avenue (617) 923-2273	Lyndhurst	New Jersey	07071
LLC	376 Arsenal Street	Milltown	New Jersey	08816	3528 Rogers Ln (781) 492-0040	Milltown	New Jersey	08816
LLC	3063 Oak Valley Dr.	New Providence	New Jersey	07974	1286390 Springfield (248) 864-0010	New Providence	New Jersey	07974
s, LLC	39450 W. 14 Mile Rd.	North Bergen	New Jersey	07047	49418 (616) 323-3999	North Bergen	New Jersey	07047
Inc	1740 28th Street SE	Old Bridge	New Jersey	08857	2100 88th Street (616) 410-7420	Old Bridge	New Jersey	08857
, Inc.	2871 44th St SW	Paramus	New Jersey	07652	1124 Route 9 (616) 298-8124	Paramus	New Jersey	07652
Healthcare,	91 Douglas Ave
Suite 110	Parsippany	New Jersey	07054	67 E Ridgewood Avenue (908) 881-8881	Parsippany	New Jersey	07054
Inc	345 Baldwin St.,	Pennsauken	New Jersey	08109	1160 US Highway 46 (952) 931-1276	Pennsauken	New Jersey	08109
Investments,	415 17th Avenue N
Suite 100, Suite 100	Perth Amboy	New Jersey	08861	6630 South Crescent Blvd. (952) 931-1276	Perth Amboy	New Jersey	08861
Investments,	13540 Grove Dr.	Piscataway	New Jersey	08854	1187 Genvey Blvd (952) 931-1276	Piscataway	New Jersey	08854
ily Medical,	710 Highland Colony Parkway Ste A	Sewell	New Jersey	08080	1315 Stetson Rd. (601) 398-9886	Sewell	New Jersey	08080
agement, LLC	465 S Mount Auburn Road
Suite 140	Short Hills	New Jersey	07078	475 Hurlville-Crosskeys Road (573) 335-2900	Short Hills	New Jersey	07078
ive, LLC	320 Geneva Ave, Suite 100	Somerset	New Jersey	08873	709 Morris Turnpike (917) 326-4232	Somerset	New Jersey	08873

Entity Name	Center Address	City	State	Zip Code	Center Phone #				
dated LLC ³	48A E. Ridge Pike, White Marsh Shopping Center	244.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	9239428	Butler (484) 243-6735	Mauldin	South Carolina	29607
rch, LP (FC)	150 E. Pennsylvania Ave., Suite 140	245.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	3619336	Highway 6163	Powdersville	South Carolina	29611-7516
³	1745 S. Easton Rd.	246.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	18901	(267) 880-4200	Seneca	South Carolina	29678
Care LLC	215 Lancaster Ave.	247.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	19355	(484) 329-6600	Simpsonville	South Carolina	29860
Care II, L.L.C. ³	115 West Eagle Road	248.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	393008	Bandville (484) 462-9400	Spartanburg	South Carolina	29301
Care, LLC ³	2623 Macdade Blvd.	249.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	19043	(267) 635-6060	Athens	Tennessee	37303
dated LLC	300 Old Forge Ln.	250.	Bon Secours Ambulatory Services - St. Francis, LLC	Pennsylvania	8164	Warren Highway (484) 778-8000	Chattanooga	Tennessee	37421
Health Partners,	1551 S. Valley Forge Rd.	251.	DX Management, LLC	Pennsylvania	2037	S. Congress Parkway (267) 659-3300	Cleveland	Tennessee	37312-3840
ds, Inc	173 Levittown Parkway, Suite 24A	252.	DX Management, LLC	Pennsylvania	19054	(215) 648-9000	Farragut	Tennessee	37934
Corp	934 Montgomery Avenue	253.	DX Management, LLC	Pennsylvania	704	North Cass (484) 270-8600	Hixson	Tennessee	37343
³	2873 S. Eagle Rd.	254.	DX Management, LLC	Pennsylvania	18940	(267) 364-6477	Knoxville	Tennessee	37920
dated LLC ³	9998 Frankford Avenue	255.	DX Management, LLC	Pennsylvania	55401	Highway 2673	Knoxville	Tennessee	37919
dated LLC ³	180 W Girard Avenue	256.	DX Management, LLC	Pennsylvania	7569	Chapman (267) 699-8047	Knoxville	Tennessee	37918
, LLC	1436 W Passyunk Ave.	257.	Phoenixville Harbor Medical,	Pennsylvania	6100	1436 Passyunk Ave. (610) 977-4820	Memphis	Tennessee	38119
dated LLC ³	5708 Ridge Ave.	258.	Phoenixville Harbor Medical,	Pennsylvania	5475	Poplar Avenue (610) 555-7805	Oak Ridge	Tennessee	37830
ical, LLC	265 Schuylkill Rd.	259.	Phoenixville Harbor Medical,	Pennsylvania	275	South Hills Avenue (267) 669-1660	Ooltewah	Tennessee	37363
Maester, LLC	715-B PA-113,	260.	Phoenixville Harbor Medical,	Pennsylvania	9058	Old Lee Highway (267) 382-5200	Powell	Tennessee	37849
th, LLC	511 Second Street Pike	261.	Phoenixville Harbor Medical,	Pennsylvania	2832	Lonny Rd., Suite 111 (267) 789-776	Sevierville	Tennessee	37876
³	930 Street Rd.	262.	Phoenixville Harbor Medical,	Pennsylvania	7130	Wenfield Drive (610) 874-3209	Allen	Texas	75002
	781 Easton Road	263.	Phoenixville Harbor Medical,	Pennsylvania	5963	88 Tracy Road (847) 990-0100	Austin	Texas	78749
agement, LLC	510 E. Gay Street	264.	Phoenixville Harbor Medical,	Pennsylvania	6600	S. MoPac Expy, Suite 2180 (267) 495-5455	Austin	Texas	78727
shottam	2848 Moreland Road	265.	Garth Care, LLC	South Carolina	6040	Garth Road (864) 760-1050	Baytown	Texas	77521
dated LLC ³	2401 West Cheltenham Avenue, Suite 132	266.	Xpress Baytown Urgent Care, LLC	South Carolina	8839	TX-146 (847) 506-3923	Baytown	Texas	77523
Ambulatory Francis, L.L.C. ³	3710 Clemson Blvd.	267.	DAR Ventures, LLC	South Carolina	3195	Dawlen Road (847) 489-6105	Beaumont	Texas	77706-7272
Ambulatory Francis, L.L.C. ³	2746 Boiling Springs Road	268.	RapidHealth, LLC	South Carolina	2402	Bay Area Blvd. (864) 307-8672	Clear Lake	Texas	77062
Ambulatory Francis, L.L.C. ³	1667 East Main Street	269.	ETA Holdings, LLC	South Carolina	760	N. Demon Tap Rd., Suite E150 (864) 412-7812	Coppell	Texas	75019
Ambulatory Francis, L.L.C. ³	5208 Calhoun Memorial Highway	270.	IF Urgent Care, LLC	South Carolina	#108	Stonegate Shopping Center (864) 523-7298	Cypress	Texas	77433
Ambulatory Francis, L.L.C. ³	1800 Augusta Street, Suite B	271.	IF Urgent Care, LLC	South Carolina	22310	FM 529 Rd., Suite 200 (281) 487-2003	Cypress	Texas	77429
Ambulatory Francis, L.L.C. ³	649 Haywood Road	272.	Greenhouse Road, LLC	South Carolina	13621	Skinner Rd., Suite 100 (847) 523-7298	Houston	Texas	77005
Ambulatory Francis, L.L.C. ³	3213 North Pleasantburg Drive	273.	Greenhouse Road, LLC	South Carolina	2729	Bliss Road (847) 523-7298	Houston	Texas	77041
Ambulatory Francis, L.L.C. ³	2709 Pelham Road, Suite B	274.	Greenhouse Road, LLC	South Carolina	9333	Katy Freeway, Suite C (281) 523-7298	Houston	Texas	77041
Ambulatory Francis, L.L.C. ³	2310 Wade Hampton Blvd.	275.	Greenhouse Road, LLC	South Carolina	10850	Louera Road, Suite 1500 (847) 523-7298	Houston	Texas	77070
Ambulatory Francis, L.L.C. ³	1467 Woodruff Road, Suite B	276.	Greenhouse Road, LLC	South Carolina	15296	Wall Street (847) 523-7298	Houston	Texas	77049
Ambulatory Francis, L.L.C. ³	474 Bypass 72NW, Suite B	277.	Greenhouse Road, LLC	South Carolina	5568	Weslayan Street, (864) 849-8999	Houston	Texas	77005
Ambulatory Francis, L.L.C. ³	1494 West Wade Hampton Boulevard, Suite C	280.	Texas Urgent Care, LLC	South Carolina	6405	West Rd.	Houston	Texas	77086

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Series B	107 Yale Street, Suite 200	Houston	Texas	Stevenson, CA 92707	(714) 786-1606
Care, LLC	9455 N. Sam Houston Pkwy E	Humble	Texas	3656 West Shaw Ave	(936) 281-1734
FM 1463, LLC	6445 FM 1463 Rd., Ste 230	Katy	Texas	Fresno, CA 93711	(203) 767-2141
K Care, LLC	1448 Kingwood Dr.	Kingwood	Texas	(559) 550-6791	(817) 549-0007
nt Care, LLC	8850 Spencer Highway	LaPorte	Texas	Vic and Nora Nazerian	(281) 945-9980
Health Care, LLC	1921 W League City Parkway, Suite 130	League City	Texas	16512 San Fernando Mission Blvd.	(281) 991-3440
re, LLC	3415 FM 762, Suite 180	Richmond	Texas	Granada Hills, CA 91344	(818) 488-6160
Care LLC	18310 West Airport Blvd, Suite 100	Richmond	Texas	(774) 699-5680	(832) 551-3503
Management	4724 Lakeview Pkwy., Suite 300	Rowlett	Texas	27522 Antonio Dr	(949) 267-3141
up Ventures	3551 Highway 6	Sugar Land	Texas	Mission Viejo, CA 92694	(714) 277-0036
Austin, LLC	3614 SW HK Dodgen Loop, Wildflower Court, Suite F	Temple	Texas	Robert Dickinson	(254) 295-0117
Woodlands, LLC	6777 Woodlands Parkway, Ste 300	The Woodlands	Texas	Pleasanton, CA 94588	(925) 202-2478
Care, LLC	14099 FM 2920 Rd, Suite A	Tomball	Texas	Sibongsiwe Johnson	(281) 893-9828
rise Care, ASC	9276 Old Keene Mill Rd.	Burke	Virginia	191 E. Alessandro Blvd, Suite 9A	(510) 749-5511
Care Support LLC	4101 Dominion Blvd, Suite 300	Glen Allen	Virginia	Riverside, CA 92504	(408) 516-3116
Family Care, LLC	12731 Stone Village Way	Midlothian	Virginia	Paul Arvanitis	(408) 516-3116
Care Support LLC	1119 N Military Hwy, Suite 300	Norfolk	Virginia	174000 Secord Street	(619) 790-7800
ey Healthcare	602 Brandon Avenue SW, Suite 222	Roanoke	Virginia	San Diego, CA 92106	(619) 790-7800
es, LLC	1013 University Blvd, Suite 270	Suffolk	Virginia	(510) 749-5511	(510) 749-5511
Care Support LLC ³	1721 Laskin Rd., Suite 101	Virginia Beach	Virginia	San Diego, CA 92106	(619) 749-5511
es, LLC	4520 Princess Anne Rd.	Virginia Beach	Virginia	San Diego, CA 92106	(619) 749-5511
atest Care, LLC	14087 Richmond Hwy, Unit 101	Woodbridge	Virginia	San Diego, CA 92106	(619) 749-5511
Dale City, LLC	4101 Cheshire Station Plaza	Woodbridge	Virginia	San Diego, CA 92106	(619) 749-5511
West Medical	18012 West Valley Hwy, Suite 101	Kent	Washington	San Diego, CA 92106	(619) 749-5511
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 Pineville, NC 28210
 (704) 247-6758
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 Raleigh, NC 27609
 (919) 899-4000
 Vinay Patidar and Sheida Kerman
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 Raleigh, NC 27617
 (919) 981-9788
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 Statesville, NC 28625
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 (919) 374-0900
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Guru Sankar
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Hillsboro, OR 97123
(503)-305-6262
Guru Sankar
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Philadelphia, PA 19123
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 Anderson, SC 29621
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 Boiling Springs, SC 29316
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 Duncan, SC 29334
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 Easley, SC 29640
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 (864)-412-7812
 Bon Secours Ambulatory Svcs
 1467 Woodruff Rd., Suite C
 Greenville, SC 29605
 (864)-548-8126
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 2709 Pelham Rd, Suite B
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 Greenwood, SC 29649
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 1494 West Wade Hampton Blvd, Ste C
 Greer, SC 29650
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Kent, WA 98032
(425)-291-5300

EXHIBIT F-1
LIST OF FRANCHISEES THAT HAVE AGREEMENTS WHO SIGNED BUT ARE NOT YET
OPENED
BUT WERE NOT OPEN AS OF 11/30/2023 DECEMBER 31, 2024

<u>SL NO</u>	<u>FRANCHISEE ENTITY NAME</u>	<u>CENTER ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>PHONE</u>
1.	Rapid Response Care, Inc	12716 Stockdale Hwy	Bakersfield	California	(661) 487-5404
2.	Carehealth Medical Group, LLC	8345 Pine Ave., Suite 140	Chino	California	(714) 326-7899
3.	Elixir Vitae	1257 Willow Pass Rd.	Concord	California	(650) 245-7144
4.	LOVE4CARE, INC	2790 Cabot Dr., Suite 145	Corona	California	(214) 551-4321
5.	A3 Medical Management LLC	2001 McHenry Ave. Suite L	Modesto	California	(209) 846-3442
6.	RSM Partners Inc¹	30465 Avenida de las Flores, Suite A	Rancho Santa Margarita	California	(949) 264-6001
7.	Inder Bahia	TBD	TBD	California	(310) 951-4144
8.	Somagen Enterprises VI, LLC	TBD	TBD	California	(800) 495-0054
9.	Somagen Enterprises VI, LLC	TBD	TBD	California	(619) 281-2580
10.	James Estes	TBD	TBD	California	(949) 793-0001
11.	Urgent Health Team	TBD	TBD	California	(818) 216-4639
12.	Viniti Health Corporation	TBD	TBD	California	(661) 204-4459
13.	Trang Luong	TBD	TBD	California	(714) 622-8019
14.	KA Three Group Inc.	TBD	TBD	California	(650) 544-6122
15.	Jeffrey Toy	TBD	TBD	California	(415) 823-3397
16.	Urgento, LLC	475 E. Avenida de los Arboles	Thousand Oaks	California	(818) 483-0885
17.	Vital Health Management	535 E. Main St.	Tustin	California	(714) 331-0040
18.	Ram Das Health Group, LLC	7076 Sepulveda Blvd	Van Nuys	California	(818) 518-6944
19.	Urgent Care Solutions, LLC²	11310 E Colfax Ave	Aurora	Colorado	(303) 343-6000
20.	Bloom Care, LLC²	7130 N. Academy	Colorado Springs	Colorado	(970) 565-1919
21.	Urgent Care Solutions, LLC²	3177 N Downing St.	Denver	Colorado	(303) 343-6000
22.	Urgent Care Solutions, LLC²	3722 W. Colfax Ave.	Denver	Colorado	(303) 570-8200
23.	Caughman Management LLC	TBD	TBD	Colorado	(937) 902-2121
24.	Tafadzwa Muchineripi	TBD	TBD	Colorado	(303) 389-1164
25.	Sandeep Panditta	TBD	TBD	Colorado	(949) 373-6167
26.	Ronan Health, LLC	TBD	TBD	Colorado	(303) 396-7206
27.	A&B Urgent Care, LLC	1905 Cortez Rd.	Bradenton	Florida	(224) 717-9513
28.	Hanna Primary Group, LLC	TBD	Santa Rosa	Florida	(770) 380-0648
29.	Code Purple LLC²	5766 Bronx Ave	Sarasota	Florida	(908) 304-2852
30.	Ramkrishna Patel²	TBD	TBD	Florida	(973) 449-3177
31.	Unique Healthcare Systems, LLC	TBD	TBD	Florida	(727) 201-8585
32.	Code Purple, LLC²	TBD	TBD	Florida	(908) 304-2852
33.	ZSC Enterprises, LLC	TBD	TBD	Georgia	(678) 458-9866
34.	Shaan and Associates, LLC	TBD	TBD	Georgia	(404) 932-0633
35.	Neel Patel (GA)	TBD	TBD	Georgia	(606) 510-7784
36.	Premier Urgent Care	4769 W. 22nd St.	Cicero	Illinois	(312) 860-0770

<u>SL NO</u>	<u>FRANCHISEE ENTITY NAME</u>	<u>CENTER ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>PHONE</u>
37.	Your Healthcare Source PLLC.¹	1366 S. Milwaukee Ave.	Libertyville	Illinois	(847) 236-0323
38.	Mobolanle Ayodeji	TBD	TBD	Maryland	(301) 437-1173
39.	Zink Medical, LLC	500 Westgate Dr.	Brockton	Massachusetts	(781) 901-2510
40.	National Urgent Care, LLC.¹	1210 Boylston St.	Chestnut Hill	Massachusetts	(617) 582-2200
41.	MAE, LLC	591 Memorial Dr.	Chicopee	Massachusetts	(413) 888-0449
42.	Petter Etholm	TBD	TBD	Massachusetts	(617) 510-4086
43.	NVR & SDD Convenient Care, LLC	TBD	TBD	Massachusetts	(781) 354-1485
44.	Sovereign Urgent Care, LLC¹	1019 Trapelo Rd	Waltham	Massachusetts	(781) 701-0900
45.	Alba Medical Management, LLC	570 Route 1 North Avenue	Avenel	New Jersey	(732) 939-5487
46.	Cinnaminson Urgent Care LLC¹	1210 US 130 #1438,	Cinnaminson	New Jersey	(856) 829-0407
47.	Umang Nagpal^{1, 2}	117 Spring St.	Elizabeth	New Jersey	(908) 570-5801
48.	Shivsai Urgent Care 3, LLC	3309 Route 9	Freehold	New Jersey	(732) 692-3677
49.	Kurban Ruzehaji²	TBD	Harrison	New Jersey	(347) 268-8571
50.	Pennsville Urgent Care LLC¹	251 N Broadway Suite 5A	Pennsville	New Jersey	(856) 678-3469
51.	Sarachi, LLC²	1225 US-22	Pohatcong	New Jersey	(347) 653-2738
52.	Infinity Medical Management INC	TBD	TBD	New Jersey	(201) 855-9152
53.	Infinity Medical Management INC	TBD	TBD	New Jersey	(201) 855-9152
54.	Joe Castelano	TBD	TBD	New Jersey	(555) 555-5555
55.	Divyesh Patel	TBD	TBD	New Jersey	(732) 692-3677
56.	Murray Doueck	TBD	TBD	New Jersey	(917) 270-6049
57.	Umang Nagpal²	TBD	TBD	New Jersey	(908) 677-5900
58.	K3 Med, LLC	TBD	TBD	New Jersey	(555) 555-5555
59.	BPS Ventures, LLC	TBD	TBD	New Jersey	(917) 734-1486
60.	Atif Saleemi²	TBD	TBD	New Jersey	(732) 381-7915
61.	Urgent Med Services, LLC.	TBD	TBD	New Jersey	(201) 888-0097
62.	Frank Lauletta¹	4318 Route 130 N	Willingboro	New Jersey	(609) 871-2045
63.	Lemon Health	810 Fulton St.	Brooklyn	New York	(323) 369-5459
64.	Janet Jiang	8107 Kew Gardens Rd.	Kew Gardens	New York	(646) 247-8059
65.	Docshay1 LLC	777 White Plains Rd	Scarsdale	New York	(914) 588-0330
66.	AFP Medical, LLC	3251 Richmond Ave.	Staten Island	New York	(201) 424-3839
67.	Ehsan Butt	TBD	TBD	New York	(631) 838-5320
68.	Suleman Iqbal	TBD	TBD	New York	(516) 728-3959
69.	Jijoe Joseph	TBD	TBD	New York	(914) 484-1407
70.	Gary Moyers	TBD	TBD	New York	(732) 310-7485
71.	NTRI Integrative Health Inc	TBD	TBD	New York	(256) 483-0615
72.	Amaryama Corp	TBD	TBD	New York	(631) 742-2265
73.	GusNat Management Services, Inc	TBD	TBD	North Carolina	(919) 412-3475
74.	Piyush Shrivastav	3012 South Providence Rd	Waxhaw	North Carolina	(475) 218-9549
75.	Hygeia LLC²	18425 NW West Union Rd.	Portland	Oregon	(503) 270-7619
76.	Whitestone Health Partners LLC¹	3201 Market St.	Camp Hill	Pennsylvania	(717)857-6172
77.	Whitestone Health Partners, LLC¹	49 Prince St., Unit 101	Harrisburg	Pennsylvania	(717) 901-3440
78.	MHP Consolidated LLC²	3680 Aramingo Avenue	Philadelphia	Pennsylvania	(555) 555-5555

<u>SL NO</u>	<u>FRANCHISEE ENTITY NAME</u>	<u>CENTER ADDRESS</u>	<u>CITY</u>	<u>STATE</u>	<u>PHONE</u>
79.	MHP Consolidated LLC²	2329 Cottman Ave.	Philadelphia	Pennsylvania	(732) 616-3845
80.	Keith George	TBD	TBD	Pennsylvania	(267) 255-1088
81.	Evelyn Wade	TBD	TBD	Pennsylvania	(215) 939-3952
82.	DX Management, LLC¹	306 Cherokee Blvd.	Chattanooga	Tennessee	(423) 259-5997
83.	JF Urgent Care, LLC²	9620 Fry Rd., Suite 600	Cypress	Texas	(713) 444-7053
84.	Lone Star Health Management, LLC	3530 Forest Lane	Dallas	Texas	(405) 818-2983
85.	ALABI FAMILY, LLC	23144 Cinco Ranch Blvd	Katy	Texas	(713) 775-2486
86.	Robert Eubank	TBD	TBD	Texas	(713) 775-2667
87.	Zikar Maredia	TBD	TBD	Texas	(218) 757-1734
88.	Imtiyaz Momin	TBD	TBD	Texas	(832) 630-4986
89.	Peter Schult	21 Essex Way	Essex Junction	Vermont	(443) 763-6186
90.	Behl Health Care Support Organization, LLC	325 Volvo Pkwy.	Chesapeake	Virginia	(757) 663-1633
91.	American Greatest Care, LLC	5870 Leesburg Pike	Falls Church	Virginia	(202) 855-1516
92.	Andy Cabral	TBD	TBD	Virginia	(240) 481-5441
93.	Andy Cabral²	TBD	TBD	Virginia	(240) 481-5441
94.	Ashish Kapoor	TBD	TBD	Virginia	(662) 380-6696
95.	Lyuba Merchant	TBD	TBD	Virginia	(919) 323-7840
96.	Manjot Kaur	TBD	TBD	Washington	(206) 617-5687
97.	Hygeia, LLC²	7500 NE 117th Ave	Vancouver	Washington	(503) 766-2215
98.	Hygeia, LLC¹	180 NE 192nd Ave Suite 505	Vancouver	Washington	(503) 305-6262

1. [This location opened in 2025.](#)

2. [This agreement was signed pursuant to an Area Development Agreement.](#)

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 (503) 746-4082
 Lokpal Sohal and Manjot Kaur
 12403 155th Ave SE
 Renton WA 98059
 (206) 617-5687

EXHIBIT G

LIST OF ~~FORMER~~-FRANCHISEES WHO HAVE LEFT THE SYSTEM OR NOT COMMUNICATED WITH FRANCHISOR

Below are franchisees who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement in ~~2023~~2024 (through the FDD issuance date), or have not communicated with us within 10 weeks of the date of this Disclosure Document:

<u>SL No.</u>	<u>Former Franchisee Entity</u>	<u>Center Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Phone</u>	<u>Reason Left</u>
<u>1.</u>	<u>Colorado Urgent Care Specialists, Inc.²</u>	<u>5102 South Broadway</u>	<u>Englewood</u>	<u>Colorado</u>	<u>80113</u>	<u>(720) 457-9100</u>	<u>Transfer</u>
<u>2.</u>	<u>Lavender Health Care of Florida, LLLP</u>	<u>2901 South Tamiami Trail</u>	<u>Sarasota</u>	<u>Florida</u>	<u>34239</u>	<u>(941) 364-4379</u>	<u>Termination</u>
<u>3.</u>	<u>Bloom 4701, LLC</u>	<u>6965 North Glenwood Street</u>	<u>Garden City</u>	<u>Idaho</u>	<u>83714</u>	<u>(208) 853-3000</u>	<u>Termination</u>
<u>4.</u>	<u>Bloom 4702, LLC</u>	<u>1610 Caldwell Blvd</u>	<u>Nampa</u>	<u>Idaho</u>	<u>83651</u>	<u>(208) 207-8500</u>	<u>Termination</u>
<u>5.</u>	<u>Bloom 4703, LLC</u>	<u>3185 E. Ustick Rd.</u>	<u>Meridian</u>	<u>Idaho</u>	<u>83646</u>	<u>(208) 296-7100</u>	<u>Termination</u>
<u>6.</u>	<u>Bloom 4704, LLC</u>	<u>10965 W. Overland Rd.</u>	<u>Boise</u>	<u>Idaho</u>	<u>83709</u>	<u>(208) 900-9901</u>	<u>Termination</u>
<u>7.</u>	<u>DRX FC Management 001, LLC</u>	<u>465 S Mount Auburn Road, Suite 103</u>	<u>Cape Girardeau</u>	<u>Missouri</u>	<u>63703</u>	<u>(573) 335-2900</u>	<u>Transfer</u>
<u>8.</u>	<u>McFatter Family Medical, LLC</u>	<u>1896 Main St.</u>	<u>Madison</u>	<u>Mississippi</u>	<u>39110</u>	<u>(601) 898-6939</u>	<u>Ceased Operations</u>
<u>9.</u>	<u>Alliance Medical Partners, LLC</u>	<u>133-37 41st Avenue</u>	<u>Flushing</u>	<u>New York</u>	<u>11355</u>	<u>(347) 783-6009</u>	<u>Transfer</u>
<u>10.</u>	<u>Faulconer House, LLC</u>	<u>3 Flagstone Dr. Unit A</u>	<u>Hudson</u>	<u>New Hampshire</u>	<u>03051</u>	<u>603-696-3307</u>	<u>Transfer</u>
<u>11.</u>	<u>Formative Solutions, LLC¹</u>	<u>910 US Highway 64</u>	<u>Apex</u>	<u>North Carolina</u>	<u>27523</u>	<u>(919) 703-1952</u>	<u>Termination</u>
<u>12.</u>	<u>Peakdream, Inc.</u>	<u>910 US Highway 64</u>	<u>Apex</u>	<u>North Carolina</u>	<u>27523</u>	<u>(919) 703-1952</u>	<u>Transfer</u>
<u>13.</u>	<u>Formative Solutions, LLC¹</u>	<u>101 Maynard Crossing Court</u>	<u>Cary</u>	<u>North Carolina</u>	<u>27513-8723</u>	<u>(919) 651-9867</u>	<u>Termination</u>
<u>14.</u>	<u>Peakdream, Inc.</u>	<u>101 Maynard Crossing Court</u>	<u>Cary</u>	<u>North Carolina</u>	<u>27513-8723</u>	<u>(919) 651-9867</u>	<u>Transfer</u>
<u>15.</u>	<u>American Family Care-Raleigh-Brier Creek, PLLC²</u>	<u>7851 Alexander Promenade, Hill Pl Suite 130</u>	<u>Raleigh</u>	<u>North Carolina</u>	<u>27617</u>	<u>(919) 981-9788</u>	<u>Transfer</u>
<u>16.</u>	<u>Action Project Management & Consulting LLC</u>	<u>622 Union Blvd.</u>	<u>Allentown</u>	<u>Pennsylvania</u>	<u>18109</u>	<u>(717) 542-4343</u>	<u>Termination</u>
<u>17.</u>	<u>MHP Thuc LLC</u>	<u>2231 Bryn Mawr Ave.</u>	<u>Philadelphia</u>	<u>Pennsylvania</u>	<u>19131</u>	<u>(215) 883-0800</u>	<u>Termination</u>
<u>18.</u>	<u>Swift Doc UC, LLC</u>	<u>1436 W Passyunk Ave.</u>	<u>Philadelphia</u>	<u>Pennsylvania</u>	<u>19145</u>	<u>215-977-4820</u>	<u>Transfer</u>
<u>19.</u>	<u>Vantar Health, LLC</u>	<u>9276 Old Keene Mill Rd.</u>	<u>Burke</u>	<u>Virginia</u>	<u>22015</u>	<u>(571) 516-3116</u>	<u>Transfer</u>
<u>20.</u>	<u>Dominion Family Care, LLC</u>	<u>4101 Dominion Blvd, Suite 300</u>	<u>Glen Allen</u>	<u>Virginia</u>	<u>23060</u>	<u>(804) 747-5555</u>	<u>Transfer</u>

~~Parmjit Singh~~
~~5763 Stevenson Blvd.~~
~~Newark, CA 94560~~
~~(510) 656-5700~~

1. This location was terminated in 2025.
2. This location was transferred in 2025.

~~Roshan Patel~~
~~5817 Texas Drive~~
~~Bettendorf, IA 52722~~
~~(563) 349-4810~~

Louis Dionisio and Justin Schwartz
115 Portion Road
Lake Ronkonkoma, NY 11779
(631) 615-7441

EXHIBIT ~~HF~~
FINANCIAL STATEMENTS
(See attached)

UNAUDITED FINANCIAL ~~S~~ **STATEMENT**

THE ~~SE~~ **MOST RECENT QUARTER'S** FINANCIAL STATEMENTS ~~ARE~~ WERE
PREPARED WITHOUT AN AUDIT. ~~PROSPECTIVE FRANCHISEES~~ INVESTORS IN OR
SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC
ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS ~~/HER~~ OPINION WITH
REGARD TO THE IR CONTENTS S OR FORM.

AFC Franchising, LLC
Balance Sheet
28-Feb-25

	2/28/2025
Assets	
Cash and cash equivalents	12,750,652
Accounts receivable, net	2,124,894
Prepaid expenses and other assets	<u>106,750</u>
	<u>14,982,295</u>
Property and equipment, net	22,400
Intangible assets, net	<u>4,623,386</u>
Total assets	<u>19,628,081</u>
Liabilities and Member's Equity	
Accounts payable	2,536,352
Accrued expenses	588,715
Deferred income	5,494,835
Due to Franchise Advisory Council Fund	<u>48,822</u>
Total liabilities	<u>8,668,724</u>
Member's equity	<u>10,959,358</u>
Total liabilities and member's equity	<u>19,628,081</u>

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AFC Franchising, LLC
Statement of Income
2 Months ended February 28, 2025

	<u>Two months ending February 28, 2025</u>
Revenue	
Royalties	6,093,550
Marketing	1,121,162
Initial franchise fees	478,000
	7,692,712
Commissions	1,321,657
Bad debt expense	31,827
Net revenue	6,339,228
Operating expenses	
Salaries and wages	671,487
Payroll taxes	50,545
Advertising	1,192,840
Depreciation and amortization expense	59,812
Professional fees	34,369
Purchased services	100,556
Utilities	52,394
Travel	39,702
Other expenses	49,171
Total operating expenses	2,250,876
Net operating income	4,088,352
Other income	83,530
Net income	4,171,882

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

AUDITED FINANCIALS

Financial Statements and Report of
Independent Certified Public
Accountants

AFC Franchising, LLC

December 31, 2024

Contents

Page

Report of Independent Certified Public Accountants	3
Financial Statements	
Balance sheet	5
Statement of income	6
Statement of member's equity	7
Statement of cash flows	8
Notes to financial statements	9

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
AFC Franchising, LLC

Opinion

We have audited the financial statements of AFC Franchising, LLC (an Alabama corporation) (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related statements of income, member's equity and cash flows for the thirteen month period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the thirteen month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Dallas, Texas
March 27, 2025

AFC Franchising, LLC**BALANCE SHEET****December 31, 2024****ASSETS****Current assets**

Cash and cash equivalents	\$ 5,948,974
Restricted cash and cash equivalents	1,865,751
Investments - restricted	426,099
Accounts receivable, net of allowance for doubtful accounts of \$131,818	1,827,888
Prepaid expenses and other assets	<u>139,909</u>

Total current assets 10,208,621

Property and equipment, net of accumulated
depreciation of \$5,665 25,634

Intangible assets, net of accumulated amortization of
\$1,484,194 4,682,306

Total assets \$ 14,916,561

LIABILITIES AND MEMBER'S EQUITY**Current liabilities**

Accounts payable	\$ 1,476,972
Accrued expenses	767,586
Unearned royalties	300,925
Due to Franchise Advisory Council Fund	11,477
Deferred income- current portion	<u>1,490,500</u>

Total current liabilities 4,047,460

Deferred income, net of current portion 3,815,500

Total liabilities 7,862,960

Member's equity 7,053,601

Total liabilities and member's equity \$ 14,916,561

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC

STATEMENT OF INCOME

Thirteen months period ended December 31, 2024

Revenue	
Royalties	\$ 31,971,840
Marketing	5,494,309
Initial franchise fees	<u>2,031,835</u>
	39,497,984
Commissions	7,520,314
Bad debt expense	<u>232,387</u>
Net revenue	<u>31,745,283</u>
Operating expenses	
Salaries and wages	5,231,285
Payroll taxes	363,379
Advertising	3,975,077
Franchise management fee	875,000
Depreciation and amortization expense	224,297
Professional fees	661,104
Purchased services	360,351
Utilities	256,964
Site selection services	236,905
Travel	157,044
Other expenses	<u>581,107</u>
Total operating expenses	<u>12,922,513</u>
Net operating income	18,822,770
Other income	<u>263,032</u>
NET INCOME	<u>\$ 19,085,802</u>

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC
STATEMENT OF MEMBER'S EQUITY
Thirteen months period ended December 31, 2024

	Member's Equity
Balance, November 30, 2023	\$ 958,116
Distribution to sole member	(24,555,000)
Contributions from sole member	11,564,683
Net income	<u>19,085,802</u>
Balance, December 31, 2024	<u><u>\$ 7,053,601</u></u>

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC

STATEMENT OF CASH FLOWS

Thirteen months period ended December 31, 2024

Cash flows from operating activities:

Net income	\$ 19,085,802
Adjustments to reconcile net income to net cash from operating activities:	
Depreciation expense	5,438
Amortization expense	217,392
Bad debt expense	232,387
Unrealized gain on investments - restricted	(167,185)
(Increase) decrease in assets:	
Accounts receivable	(915,262)
Prepaid expenses and other assets	204,492
Increase (decrease) in liabilities:	
Accounts payable	322,880
Accrued expenses	282,477
Unearned royalties	(1,469,463)
Due to Franchise Advisory Council Fund	(8,667)
Deferred income	(322,835)
Net cash provided by operating activities	17,467,456

Cash flows from investing activities:

Acquisition of master franchise agreement	(3,500,000)
Proceeds from sales of investments	4,278,071
Purchase of property and equipment	(23,690)
Net cash provided by investing activities	754,381

Cash flows from financing activities:

Contributions from sole member	11,564,683
Distribution to sole member	(24,555,000)
Net cash used in financing activities	(12,990,317)

**NET CHANGE IN CASH, CASH EQUIVALENTS, AND
RESTRICTED CASH**

5,231,520

**Cash, cash equivalents, and restricted cash,
beginning of year**

2,583,205

**Cash, cash equivalents, and restricted cash,
end of year**

\$ 7,814,725

The accompanying notes are an integral part of this financial statement.

AFC Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - DESCRIPTION OF BUSINESS

On April 15, 2013, AFC Franchising, LLC (“the Company”), an Alabama limited liability company and wholly-owned subsidiary of American Family Care, LLC (“Parent”) acquired certain assets and liabilities of DRX Urgent Care, LLC. The acquisition was paid for with cash and a note payable to DRX Urgent Care, LLC.

The Company is a national accessible primary and urgent care franchise system. The business offers and sells franchises and provides products and support to its franchisees. The franchised urgent care centers provide various levels of patient care services provided by a physician which include urgent and/or accessible primary care. As of December 31, 2024 and November 30, 2023, the Company had a total of 305 and 280, respectively, operating franchised urgent care centers.

In 2024, the Company changed its fiscal year end to December 31. Therefore, for 2024 financial statements are for the thirteen month period ended December 31, 2024.

The Company franchises urgent care centers located across the United States. The Company currently does not operate any urgent care centers. The franchised centers operate under a franchise agreement with an initial term expiring 10-15 years from the effective date of the franchise agreement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, the Company considers all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents. The Company places its cash and cash equivalents, which at times may exceed federally insured limits, with high quality financial institutions.

Restricted Cash and Cash Equivalents

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

	<u>2024</u>
Cash and cash equivalents	\$ 5,948,974
Restricted cash	<u>1,865,751</u>
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$ 7,814,725</u>

Certain amounts of cash are restricted for use in accordance with purposes set forth within the franchise agreements.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Concentrations and Credit Risk

The Company maintains accounts with quality financial institutions. At times, cash balances may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses on such accounts. Management does not believe the Company is exposed to any significant credit risk in connection with these deposits.

Accounts Receivable

Accounts receivable are recorded when invoices are issued and are presented on the balance sheet net of the allowance for doubtful accounts. The vast majority of accounts receivable relates to royalty and marketing revenue which is invoiced based on activity ranging from 1-2 weeks in arrears. The allowance for credit losses is maintained in amounts required to cover anticipated losses on historical bad debt and periodic evaluation by the Company's management.

Property and Equipment

Property and equipment are carried at historical cost, less accumulated depreciation, and include expenditures which substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor renovations are expensed as incurred. When property and equipment are retired or otherwise disposed, the related costs and accumulated depreciation are removed from the respective accounts and the gain or loss on the disposition is recognized if applicable.

The Company provides for depreciation of property and equipment using the straight-line method designed to amortize costs over estimated useful lives ranging from 5 - 7 years.

Investments - Restricted

Investments - restricted include amounts invested in debt and equity securities. Investments in debt and equity securities are classified as either held-to-maturity, available-for-sale, or trading. Investments classified as held-to-maturity are reported at amortized cost. Amounts not reported at amortized cost are reported at fair value with the change in fair value recognized in net income. The fair value of these investments is based on quoted market prices, where available. If quoted market prices are not available, investments are measured at cost less impairment.

During 2024, the Company recognized \$167,185 of net gains on investments in debt and equity securities. Of that amount, \$167,185 was recognized on investments in debt and equity securities held at December 31, 2024.

Certain amounts of investments are restricted for use in accordance with purposes set forth within the franchise agreements.

Intangible Assets

The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to, a significant decrease in the market value of an asset or a significant adverse change in the extent or manner in which an asset is used or in its physical condition. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with the asset. Should the sum of the expected future cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds the fair value of the asset. The fair value is measured based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. Intangibles that do not have indefinite lives are amortized on a straight-line basis over the estimated useful life of the assets.

Marketing Fund

The Company collects fees from franchisees which are used for advertising, marketing, and public relations programs. In accordance with the franchise agreements, all fees collected must be used for these programs. With the adoption of ASC 606 on December 1, 2019, all fees collected are recorded as income and all program costs are recorded as expense on the statement of income for thirteen month period ending December 31, 2024.

Franchise Advisory Council Fund

The Company collects fees from franchisees which are used for Franchise Advisory Council. The Fund is utilized to facilitate best practices amongst the franchisees. In accordance with the franchise agreements, all fees collected must be used for the council. Accumulated fees collected in excess of council costs are classified as current liabilities on the balance sheet. As of December 31, 2024, the Franchise Advisory Council Fund was \$11,477.

Initial Franchise Fees, Deferred Income and Prepaid Commissions

Upon execution of a franchise agreement, the franchisee is required to pay an initial non-refundable franchise fee to the Company. The fee is recorded as deferred income until the franchisee's center has an estimated opening date and when the opening date is one year or less. The Company performs substantially all pre-opening activities required by the franchise agreement over this period of time. The deferred income is recognized ratably as revenue over this period of time and the commission and prepaid initial service costs are recognized as expense in a consistent manner. For the thirteen month period ended December 31, 2024, \$2,031,835 was recognized as revenue, and \$328,000 was recognized as commissions expense, respectively.

Income Taxes

The Company is treated as a single member limited liability company for federal income tax purposes. Consequently, federal income taxes are not payable, or provided for, by the Company. The sole member is taxed individually on the Company's earnings.

If the Company takes uncertain tax positions that do not meet the recognition criteria, it records a liability for the underpayment of income taxes and related interest and penalties. Therefore, the Company recognized no liability for uncertain tax positions as of the balance sheet date.

NOTE 3 - REVENUE FROM CONTRACTS WITH FRANCHISEES

Revenue is measured based on consideration specified in a contract with franchisees and excludes any sales incentives.

Taxes assessed by a governmental authority, if any, that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a franchise, are excluded from revenue.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

Contract Balances

Contract assets include accounts receivable as a result of amounts billed to the franchise that have been earned. Royalty and marketing revenue is billed based on activity ranging from 1-2 weeks in arrears. Contract liabilities include deferred income. Deferred income includes the deferred revenue on non-refundable initial franchise fees. Initial franchise fees are comprised of pre-opening activities and are recognized as income at the point in time the franchise opens.

Contract assets and liabilities were as follows for the period ended December 31, 2024:

Contract assets:	
Accounts receivable	\$ 1,827,888
	<u> </u>
Total contract assets	\$ 1,827,888
	<u> </u>
Contract liabilities:	
Unearned royalties	\$ 300,925
Deferred income	5,306,000
	<u> </u>
Total contract liabilities	\$ 5,606,925
	<u> </u>

For the year ended November 30, 2023 accounts receivable relating to contract assets was \$1,145,013, and unearned royalties and deferred income relating to contract liabilities was \$1,770,388 and \$5,628,835 respectively.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the franchise and is the unit of account in the new revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company considers their franchise agreements to have three distinct performance obligations.

Performance Obligations Satisfied Over Time

Royalty Revenue - In consideration of the franchise license granted to the franchisees, the franchisees agree to pay a royalty consisting of 6% of net payments to the Company. These royalties are recognized over time, weekly, based on the franchisees net payments.

Marketing Revenue - In consideration of marketing and advertising on behalf of the franchisees, the franchisees agree to pay a marketing fee consisting of 1% of net payments to the Company. This marketing revenue is recognized over time, weekly, based on the franchisees net payments.

Initial Franchisee Fee - Consists of pre-opening activities provided by the Company to the franchisees. These non-refundable franchisee fees are received by the Company at the time the franchise agreement is signed, but the revenue is deferred until the franchise has an estimated opening date which is one year or less at which time the fees begin recognition ratably over time during the pre-opening period. As part of the adoption of ASC 606, the Company elected to adopt the practical expedient of combining all pre-opening services as a single separate performance obligation. The adoption of this practical expedient did not have a material impact on the Company's financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 4 - FAIR VALUE MEASUREMENT

ASC Topic No. 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy consists of three broad levels, described as follows:

- Level 1 - Inputs consist of unadjusted quoted prices for identical assets in active markets that the reporting entity has the ability to access.
- Level 2 - Inputs consist of 1) quoted prices for similar assets in active markets, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.
- Level 3 - Inputs consist of unobservable inputs where there is little or no market activity, and the reporting entity makes estimates and assumptions related to the pricing of the asset including assumptions regarding risk.

Investment fair value measurement levels within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value.

Common stocks and treasury bills - Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2024, the Company's investments - restricted, included investments in common stocks, which are classified as Level 1 assets in the fair value hierarchy. The total market value of Level 1 investments was \$426,099 as of December 31, 2024. The Company's total investments included \$426,099 in common stocks as of December 31, 2024.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 5 - INTANGIBLE ASSETS

Intangible assets as of December 31, 2024 consist of tradename, franchise agreements and master territory buyback agreements. Balances and related accumulated amortization for these assets are as follows:

	<u>2024</u>
Tradename	\$ 868,000
Master territory buyback agreements	3,717,500
Franchise agreements	<u>1,581,000</u>
	6,166,500
Accumulated amortization	<u>(1,484,194)</u>
Net intangible assets	<u>\$ 4,682,306</u>

The tradename is an indefinite lived asset. The franchise agreements and master territory buyback agreements have a life of 10-15 years. Amortization expense on intangible assets totaled \$217,392 for the thirteen months in the period ended December 31, 2024.

The master territory buyback agreements have a 10-year weighted average useful life. The franchise agreements have a 15-year weighted average useful life.

Effective October 1, 2024, the Company entered into an agreement to acquire the right to operate a master franchise territory in North Carolina and another in Virginia. The purchase price paid by the Company was \$3,500,000. No tangible assets were obtained or liabilities assumed. The entire purchase price has been allocated to Master territory buyback agreement.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company records accruals for contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. There can be no assurance there will not be an increase in the scope of these matters or that any future or pending lawsuits, claims, proceedings, or investigations will not be material.

The Company is currently involved as a defendant in certain legal actions. The ultimate outcome of such actions cannot be determined at this time. However, in view of available defenses, insurance coverage, the opinion of management and legal counsel and other factors, such outcome is not expected to have a material effect on the financial condition of the Company.

NOTE 7 - ADVERTISING COSTS

Advertising costs are charged to operations as incurred, and for the thirteen months in the period ended December 31, 2024 were \$3,975,077.

AFC Franchising, LLC

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024

NOTE 8 - RELATED PARTY TRANSACTIONS

The Company paid a management fee to the sole member for certain general and administrative tasks performed. The management fees paid totaled \$875,000 for the thirteen months in the period ended December 31, 2024.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

Previously issued financial statements have been restated to reflect errors in amounts due from Sole Member for cash transfers from the Company to the Parent. The restatement impacted beginning Member's Equity. Due to the corrections noted above, as of December 1, 2023, Member's Equity decreased by \$18,419,681.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2025 which is the date the financial statements were available to be issued and concluded no events or transactions occurred during that period requiring recognition or disclosure.

AFC FRANCHISING, LLC

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
NOVEMBER 30, 2023 AND 2022**

AFC FRANCHISING, LLC
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022	
Balance Sheets	5
Statements of Income	6
Statements of Member's Equity	7
Statements of Cash Flows	8
Notes to Financial Statements	9

INDEPENDENT AUDITORS' REPORT

AFC Franchising, LLC
Birmingham, Alabama

Opinion

We have audited the accompanying financial statements of AFC Franchising, LLC, (an Alabama Company), which comprise the balance sheets as of November 30, 2023 and 2022, and the related statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AFC Franchising, LLC as of November 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AFC Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AFC Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AFC Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AFC Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Pearce, Baill, Leesburg, Moore, P.C.

February 27, 2024

AFC FRANCHISING, LLC
BALANCE SHEETS
AS OF NOVEMBER 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,399,199	\$ 2,259,174
Restricted cash	1,184,006	4,143,177
Investments - restricted	4,536,985	6,718,035
Accounts receivable, net of allowance for doubtful accounts of \$- and \$14,921, respectively	1,145,013	1,629,823
Due from sole member	18,419,681	23,628,855
Prepaid expenses and other assets	<u>344,401</u>	<u>199,689</u>
Total current assets	27,029,285	38,578,753
Property and equipment, net of accumulated depreciation of \$11,107 and \$13,814, respectively	7,382	8,808
Goodwill, net of accumulated amortization of \$5,551,000 and \$4,995,900, respectively	-	555,100
Intangible assets, net of accumulated amortization of \$1,266,802 and \$1,146,902, respectively	<u>1,399,698</u>	<u>1,519,598</u>
TOTAL ASSETS	<u><u>\$ 28,436,365</u></u>	<u><u>\$ 40,662,259</u></u>

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 1,154,092	\$ 2,908,859
Accrued expenses	485,109	874,744
Unearned royalties	1,770,388	1,081,252
Due to Franchise Advisory Council Fund	20,144	26,137
Deferred income	<u>5,628,835</u>	<u>5,299,000</u>
TOTAL CURRENT LIABILITIES	9,058,568	10,189,992
MEMBER'S EQUITY	<u>19,377,797</u>	<u>30,472,267</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 28,436,365</u></u>	<u><u>\$ 40,662,259</u></u>

See independent auditors' report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Royalties	\$ 25,431,182	\$ 31,191,095
Marketing	4,250,072	5,102,386
Initial franchise fees	3,315,000	1,710,750
	<u>32,996,254</u>	<u>38,004,231</u>
COMMISSIONS	<u>(7,048,311)</u>	<u>(7,436,718)</u>
NET REVENUE	<u>25,947,943</u>	<u>30,567,513</u>
OPERATING EXPENSES		
Advertising	6,326,013	4,953,291
Conferences	72,925	262,803
Depreciation and amortization expense	678,556	678,474
Franchise management fee	600,000	600,000
Other expenses	371,486	392,297
Payroll taxes	170,420	166,368
Professional fees	415,434	580,558
Purchased services	311,686	1,860,798
Site selection services	163,891	391,464
Salaries and wages	2,200,468	2,284,881
Travel	240,320	277,205
Utilities	<u>254,715</u>	<u>173,739</u>
TOTAL OPERATING EXPENSES	<u>11,805,914</u>	<u>12,621,878</u>
NET OPERATING INCOME	14,142,029	17,945,635
OTHER INCOME (LOSS)	<u>(236,499)</u>	<u>364,242</u>
NET INCOME	<u>\$ 13,905,530</u>	<u>\$ 18,309,877</u>

See independent auditors' report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022

	<u>Member's Equity</u>
Balance at December 1, 2021	\$ 62,162,390
Distribution to sole member	(50,000,000)
Net income	<u>18,309,877</u>
Balance at November 30, 2022	30,472,267
Distribution to sole member	(25,000,000)
Net income	<u>13,905,530</u>
Balance at November 30, 2023	<u><u>\$ 19,377,797</u></u>

See independent auditors' report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 13,905,530	\$ 18,309,877
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation expense	3,556	3,474
Amortization expense	675,000	675,000
Bad debt (recovery) expense	-	(77,218)
Unrealized (Gain)/loss on investments - restricted	538,267	(109,093)
(Increase) decrease in assets:		
Accounts receivable	484,810	1,539,862
Prepaid expenses and other assets	(144,712)	1,180,540
Due from sole member	5,209,174	26,626,064
Notes receivable	-	-
Increase (decrease) in liabilities:		
Accounts payable	(1,754,767)	2,152,214
Accrued expenses	(389,635)	(716,977)
Unearned royalties	689,136	-
Due to Franchise Advisory Council Fund	(5,993)	(28,068)
Deferred income	329,835	2,201,750
CASH FROM OPERATING ACTIVITIES	<u>19,540,201</u>	<u>51,757,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(854,169)	(3,731,997)
Proceeds from sales of investments	2,496,952	-
Purchase of property and equipment	(2,130)	-
CASH FROM INVESTING ACTIVITIES	<u>1,640,653</u>	<u>(3,731,997)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to sole member	(25,000,000)	(50,000,000)
CASH FROM FINANCING ACTIVITIES	<u>(25,000,000)</u>	<u>(50,000,000)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(3,819,146)	(1,974,572)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>6,402,351</u>	<u>8,376,923</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	<u>\$ 2,583,205</u>	<u>\$ 6,402,351</u>

See independent auditor's report and accompanying notes to financial statements.

AFC FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2023 AND 2022

Note 1 - Description of Business

On April 15, 2013, AFC Franchising, LLC ("the Company"), an Alabama limited liability company and wholly-owned subsidiary of American Family Care, Inc. acquired certain assets and liabilities of DRX Urgent Care, LLC. The acquisition was paid for with cash and a note payable to DRX Urgent Care, LLC.

The Company is a national accessible primary and urgent care franchise system. The business offers and sells franchises and provides products and support to its franchisees. The franchised urgent care centers provide various levels of patient care services provided by a physician which include urgent and/or accessible primary care. As of November 30, 2023 and 2022, the Company had a total of 280 and 217, respectively, operating franchised urgent care centers.

The Company franchises urgent care centers located across the United States. The Company currently does not operate any urgent care centers. The franchised centers operate under a franchise agreement with an initial term expiring 15 years from the effective date of the franchise agreement.

Note 2 - Summary of Significant Accounting Policies

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, the Company considers all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents.

Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

	2023	2022
Cash and cash equivalents	\$ 1,399,199	\$ 2,259,174
Restricted cash	<u>1,184,006</u>	<u>4,143,177</u>
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$ 2,583,205</u>	<u>\$ 6,402,351</u>

Note 2 - Summary of Significant Accounting Policies - Continued

Certain amounts of cash are restricted for use in accordance with purposes set forth within the franchise agreements.

Concentrations and Credit Risk

The Company maintains accounts with quality financial institutions. At times, cash balances may exceed the amount insured by the Federal Deposit Insurance Corporation.

Accounts Receivable

Accounts receivable are recorded when invoices are issued and are presented on the balance sheet net of the allowance for doubtful accounts. The allowance for doubtful accounts is maintained in amounts required to cover anticipated losses on historical bad debt and periodic evaluation by the Company's management.

Property and Equipment

Property and equipment are carried at historical cost, less accumulated depreciation, and include expenditures which substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor renovations are expensed as incurred. When property and equipment are retired or otherwise disposed, the related costs and accumulated depreciation are removed from the respective accounts and the gain or loss on the disposition is recognized if applicable.

The Company provides for depreciation of property and equipment using the straight-line method designed to amortize costs over estimated useful lives ranging from 5 – 7 years.

Investments - Restricted

Investments – restricted include amounts invested in debt and equity securities. Investments in debt and equity securities are classified as either held-to-maturity, available-for-sale, or trading. Investments classified as held-to-maturity are reported at amortized cost. Amounts not reported at amortized cost are reported at fair value with the change in fair value recognized in net income. The fair value of these investments is based on quoted market prices, where available. If quoted market prices are not available, investments are measured at cost less impairment.

During 2023, the Company recognized \$538,267 of net losses on investments in debt and equity securities. Of that amount, \$538,267 was recognized on investments in debt and equity securities held at November 30, 2023.

Certain amounts of investments are restricted for use in accordance with purposes set forth within the franchise agreements.

Note 2 - Summary of Significant Accounting Policies - Continued

Intangible Assets

The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to, a significant decrease in the market value of an asset or a significant adverse change in the extent or manner in which an asset is used or in its physical condition. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with the asset. Should the sum of the expected future cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds the fair value of the asset. The fair value is measured based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. Intangibles that do not have indefinite lives are amortized on a straight-line basis over the estimated useful life of the assets.

Goodwill

In January 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-02, Intangibles – Goodwill and Other. This update provides private companies certain alternative guidance regarding accounting for Goodwill. Specifically, the update provides an option to private companies to adopt guidance for the amortization of goodwill and alternative requirements for testing goodwill impairment.

Under the goodwill alternative, a nonpublic entity is able to amortize goodwill on a straight-line basis over a period of ten years or over a shorter period if the company demonstrates that another useful life is more appropriate. Goodwill would be subject to impairment testing only upon the occurrence of a triggering event. The Company adopted this guidance for the year ended November 30, 2014 and the Company chose a ten-year useful life. Goodwill amortization for both years ended November 30, 2023 and 2022 was \$555,100. Goodwill was fully amortized as of November 30, 2023.

Marketing Fund

The Company collects fees from franchisees which are used for advertising, marketing, and public relations programs. In accordance with the franchise agreements, all fees collected must be used for these programs. With the adoption of ASC 606 on December 1, 2019, all fees collected are recorded as income and all program costs are recorded as expense on the income statement for year ended November 30, 2023 and 2022.

Note 2 - Summary of Significant Accounting Policies - Continued

Franchise Advisory Council Fund

The Company collects fees from franchisees which are used for Franchise Advisory Council. The Fund is utilized to facilitate best practices amongst the franchisees. In accordance with the franchise agreements, all fees collected must be used for the council. Accumulated fees collected in excess of council costs are classified as current liabilities on the balance sheet. As of November 30, 2023 and 2022, the Franchise Advisory Council Fund was \$20,144 and \$26,137, respectively.

Initial Franchise Fees, Deferred Income and Prepaid Commissions

Upon execution of a franchise agreement, the franchisee is required to pay an initial non-refundable franchise fee to the Company. The fee is recorded as deferred income until the franchisee's center has opened for operations and the Company has performed substantially all pre-opening activities required by the franchise agreement, at which time the deferred income is recognized as revenue and the prepaid initial service costs are recognized as expense. The commission expense associated with the sale of an initial franchise license is recorded as a deduction of deferred revenue until the franchisee's center has opened for operations, at which time the prepaid commission is recognized as expense. For the years ended November 30, 2023 and 2022, \$3,315,000 and \$1,710,750 were recognized as revenue, respectively, and \$915,000 and \$612,500 were recognized as commissions expense, respectively.

Income Taxes

The Company is treated as a single member limited liability company for federal income tax purposes. Consequently, federal income taxes are not payable, or provided for, by the Company. The sole member is taxed individually on the Company's earnings.

If the Company takes uncertain tax positions that do not meet the recognition criteria, it records a liability for the underpayment of income taxes and related interest and penalties. Therefore, the Company recognized no liability for uncertain tax positions as of the balance sheet date.

Recently Adopted Accounting Standards

The Company has adopted Accounting Standards Codification (ASC) 842, Leases, effective December 1, 2022. ASC 842 requires lessees to recognize most leases on their balance sheets as lease liabilities and corresponding right-of-use assets, including operating leases. The Company has updated its accounting policies to reflect the new standard and evaluated the impact of adopting ASC 842 and determined that it does not have any leases that fall under the guidance of ASC 842.

Note 3 - Acquisition

Effective April 15, 2013, the Company acquired substantially all the assets and assumed certain liabilities of DRX Urgent Care, LLC. The purchase price paid by the Company was \$8,000,000. The acquisition of DRX Urgent Care, LLC has been accounted for as a business combination using the acquisition method of accounting, whereby the purchase price has been allocated to tangible and intangible assets acquired and liabilities assumed, based on their estimated fair market values. Fair-value measurements have been applied based on assumptions that market participants would use in the pricing of the asset or liability. The following table summarizes the fair values assigned to the net assets acquired as of the April 15, 2013 acquisition date.

Total Consideration:	\$ 8,000,000

Fair Value of Assets Acquired and Liabilities Assumed:

Restricted cash	402,313
Tradename	868,000
Franchise agreements	1,581,000
Marketing fund	(394,808)
Franchise Advisory Council fund	(7,505)
Net assets acquired	<u>2,449,000</u>
Excess Purchase Price Attributed to Goodwill	<u>\$ 5,551,000</u>

No liabilities were assumed associated with legal contingencies as part of the acquisition. Additionally, as part of the asset purchase, no tax assets or liabilities were assumed.

Note 4 - Revenue from Contracts with Franchisees

Revenue is measured based on consideration specified in a contract with franchisees and excludes any sales incentives.

Taxes assessed by a governmental authority, if any, that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a franchise, are excluded from revenue.

Contract Balances

Contract assets include accounts receivable as a result of amounts billed to the franchise that have been earned. Contract liabilities include deferred income. Deferred income includes the deferred revenue on non-refundable initial franchise fees. Initial franchise fees are comprised of pre-opening activities and are recognized as income at the point in time the franchise opens.

Note 4 - Revenue from Contracts with Franchisees – Continued

Contract assets and liabilities were as follows for the year ended November 30, 2023:

Contract assets:	2023	2022	2021
Accounts receivable	\$ 1,145,013	\$ 1,629,823	\$ 1,796,929
Total contract assets	<u>\$ 1,145,013</u>	<u>\$ 1,629,823</u>	<u>\$ 1,796,929</u>
Contract liabilities:			
Unearned royalties	\$ 1,770,388	\$ 1,081,252	\$ -
Deferred income	<u>5,628,835</u>	<u>5,299,000</u>	<u>1,652,250</u>
Total contract liabilities	<u>\$ 7,399,223</u>	<u>\$ 6,380,252</u>	<u>\$ 1,652,250</u>

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the franchisee and is the unit of account in the new revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company considers their franchise agreements to have three distinct performance obligations.

Performance Obligations Satisfied Over Time

Royalty Revenue – In consideration of the franchise license granted to the franchisees, the franchisees agree to pay a royalty consisting of 6% of net payments to the Company. These royalties are recognized over time, weekly, based on the franchisees net payments.

Marketing Revenue – In consideration of marketing and advertising on behalf of the franchisees, the franchisees agree to pay a marketing fee consisting of 1% of net payments to the Company. This marketing revenue is recognized over time, weekly, based on the franchisees net payments.

Performance Obligations Satisfied at a Point in Time

Initial Franchisee Fee – Consists of pre-opening activities provided by the Company to the franchisees. These non-refundable franchisee fees are received by the Company at the time the franchise agreement is signed, but the revenue is deferred until the point in time the franchise is opened. As part of the adoption of ASC 606, the Company elected to adopt the practical expedient of combining all pre-opening services as a single separate performance obligation. The adoption of this practical expedient did not have a material impact on the Company's financial statements.

Note 5 - Fair Value Measurement

ASC Topic No. 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy consists of three broad levels, described as follows:

Level 1 - Inputs consist of unadjusted quoted prices for identical assets in active markets that the reporting entity has the ability to access.

Level 2 - Inputs consist of 1) quoted prices for similar assets in active markets, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.

Level 3 - Inputs consist of unobservable inputs where there is little or no market activity, and the reporting entity makes estimates and assumptions related to the pricing of the asset including assumptions regarding risk.

Investment fair value measurement levels within the fair value hierarchy are based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value.

Common stocks and treasury bills - Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of November 30, 2023 and 2022, the Company's investments – restricted, included investments in common stocks and Treasury bills, which are classified as Level 1 assets in the fair value hierarchy. The total market value of Level 1 investments was \$4,536,985 and \$6,718,035 for the years ended November 30, 2023 and 2022, respectively. The company's total investments included \$3,695,583 in common stocks and \$841,402 in Treasury bills as of November 30, 2023. The Company's total investments included \$4,221,083 in common stocks and \$2,496,952 in Treasury bills as of November 30, 2022.

Note 6 - Intangible Assets

Intangible assets as of November 30, 2023 and 2022 consist of tradename, franchise agreements and master territory buyback agreements. Balances and related accumulated amortization for these assets are as follows:

	2023	2022
Tradename	\$ 868,000	\$ 868,000
Master territory buyback agreements	217,500	217,500
Franchise agreements	<u>1,581,000</u>	<u>1,581,000</u>
	2,666,500	2,666,500
Accumulated amortization	<u>(1,266,802)</u>	<u>(1,146,902)</u>
Net intangible assets	\$ <u>1,399,698</u>	\$ <u>1,519,598</u>

The tradename is an indefinite lived asset. The franchise agreements and master territory buyback agreements have a life of 15 years. Amortization expense on intangible assets totaled \$119,900 for both the years ended November 30, 2023 and 2022, respectively. Amortization expense per year for the next five years will be \$119,900.

Note 7 - Commitments and Contingencies

The Company records accruals for contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. There can be no assurance there will not be an increase in the scope of these matters or that any future or pending lawsuits, claims, proceedings, or investigations will not be material.

The Company is currently involved as a defendant in certain legal actions. The ultimate outcome of such actions cannot be determined at this time. However, in view of available defenses, insurance coverage, the opinion of management and legal counsel and other factors, such outcome is not expected to have a material effect on the financial condition of the Company.

Note 8 - Advertising Costs

Advertising costs are charged to operations as incurred, and for the year ended November 30, 2023 and 2022 advertising costs were \$6,326,013 and \$4,953,291, respectively.

Note 9 - Related Party Transactions

Excess cash generated from operations has been advanced to the sole member and affiliates owned by the sole member. At November 30, 2023 and 2022, the amount due from the sole member was \$18,419,681 and \$23,628,855, respectively.

The Company paid a management fee to the sole member for certain general and administrative tasks performed. The management fees paid totaled \$600,000 for both the years ended November 30, 2023 and 2022.

Note 10 – Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation.

Note 11 - Subsequent Events

Management has evaluated subsequent events through February 27, 2024, which is the date the financial statements were available to be issued and concluded no events or transactions occurred during that period requiring recognition or disclosure.

EXHIBIT IG

TABLE OF CONTENTS FOR OPERATIONS MANUAL

Section A - Introduction

Introduction.	1
Our Story.	2
AFC Mission.	3
AFC Vision.	3
AFC Values.	4
Our Approach to Care.	4
Philosophy of Excellence.	5
History of the Franchise.	6
Services Provided to Franchisees.	6
Site Development.	6
Initial Training.	7
Opening Assistance.	7
Ongoing Training and Support.	7
Approved Suppliers.	7
Advertising Materials and Sales Aids.	8
Franchise Advisory Council.	8
Ongoing Research & Development.	8
Franchisee Responsibilities.	9
Responsibilities to Patients.	9
Responsibilities to Employees.	9
Responsibilities to Fellow Franchisees.	9
Responsibilities to the Franchisor.	10
Master Franchisee Role & Responsibilities.	10
Corporate Office Role & Responsibilities.	10
Sanctions.	11
Visits from the Corporate Office.	12

Section B - Pre- Opening

Definitions.	5
Business Definitions.	5
Medial Practice Definitions.	8
Business Opening Timeline.	12
Establishing the Business Structure.	13
Franchise Company (FC).	13
Professional Corporation (PC).	13
Establishing the Business Form.	15
Meeting Tax Obligations.	16
Employer Identification Number.	16
Federal Taxes.	16
State Taxes.	17
Setting Up Bank Accounts.	18
Accounts to Open.	18
Securing a Location.	19
Site Selection Criteria.	19
General Site Criteria.	21
Site Acceptance.	21
Lease Review and Policy Procedures.	22
Site Build Out.	25
Site Survey.	25
Space Planning.	25

Architecture.	25
Permit.	25
Fixture Manufacturing & Décor Ordering.	26
Signage & Décor.	26
Construction.	26
General Site Criteria.	26
Licenses/Permits	27
General Business Licensing Requirements.	27
Licenses and Certifications.	28
License To Do Business As A Medical Center.	28
DEA Certificate.	28
National Provider Identifier (NPI).	28
Certification for Operation of Lab.	28
Medical License.	28
UCA Accreditation (Optional).	28
Controlled Substances Registration.	28
Construction.	29
Construction Licensing Requirements.	29
Permit To Dispense Medications.	29
Controlled & Dangerous Substance Permit.	29
Construction Inquiries.	30
Laws & Ordinances.	30
Utilities & Other Services.	30
Inquiries.	30
Minimum Services.	30
Laboratory Set Up.	31
Background Information.	31
Laboratory Equipment and Tests.	31
Steps to Opening a New Laboratory.	32
Federal and State Requirements.	32
CLIA Certificate Type.	33
Personnel Requirements.	34
Moderately Complex Lab Requirements.	34
Lab Director Training.	35
Lab Manual.	35
CLIA Application for Certification.	36
Pay For the Certificate.	36
Set up the laboratory following the	
applicable regulations and requirements.	36
Proficiency Testing.	37
Obtaining Insurance.	37
Insurance Type and Coverage Requirements.	37
Required List of Equipment & Initial Inventory.	39
Experity Setup & Staff Training.	39
Conducting a Grand Opening.	40
AFC TeleCare®	40

Section C - Human Resources

CareerPlug.	4
CareerPlug Resources.	4
EEOC Guidelines.	5

Employers Covered by EEOC-Enforced Laws.	6
How Employees Are Counted.	6

Section D - Center

Hours of Operation.	4
Daily Procedures.	5
Daily Checklists.	5
Customer Service.	5
Customer Service Philosophies.	5
Building a Winning Customer Service Team.	6
Ways to Monitor Employee Activity.	6
AFC Patient Service Philosophy.	7
Our Goal is 100% Patient Satisfaction.	7
Ambassador Program.	7
Deploy the 10/15 Philosophy	7
Patient Services Provided.	8
Exceeding Patient Expectations.	9
The Customer.	9
Perception is Everything.	10
Keys to Successful Patient-Centered Care	10
Keys to Service Mentality.	10
Provider Principles for Treating Patients.	11
Principles for Treating Patients.	11
Obtaining Patient Feedback.	16
Patient Feedback Process.	16
Patient Follow-Up Wellness Calls	17
Guidelines for Making Follow-Up Calls.	17
Handling Difficult Patients or Complaints.	18
Solve the Problem AND Manage the Feelings.	18
Handling Complaints.	18
Proper Handling of Incoming Calls.	20
Communication by Phone.	20
What to Do When the Phone Rings.	21
Turning an Inquiry Into a Lead.	22
Life Cycle of a Patient.	23
The Lifecycle of a Patient.	23
Patient Registration.	24
Registration Steps.	24
Experity Scanning Instructions.	24
Verifying Insurance Coverage and Co-Pays.	25
Co-Pay, Co-Insurance and Deductible	
Payments.	26
Procedure for Payment from Self-Pay Patients.	26
Triage.	27
Triage Protocol Standards.	27
Exam.	28
Physical Exam Steps.	28
Test and X-Rays (if applicable).	28
Prescriptions (if applicable).	29
Discharging Patients.	29
Follow-up with Patient.	29

Follow-up With Patient's Primary Physician (if applicable).	30
Radiology.	30
Radiology Best Practices.	30
Operating the Dispensary.	31
Dispensary Best Practices.	31
Maintaining the Office.	32
Cleaning Guidelines.	32
Safety & Security.	33
Reasons for Precautions.	33
Workplace Safety.	33
OSHA.	34
Safety Data Sheets (SDS).	34
Bloodborne Pathogen Compliance	
Exposure Control Plan.	34
Accident Reporting and Investigation.	35
Workers' Compensation Issues.	36
Fire Safety.	36
Burglary.	37
Experity Reports for Diagnosing.	38
Revenue.	38
Expense.	40
Patient Info.	40
Action Plan.	41
Requesting a Variance.	42
Written Request	42
Monetary Sanctions.	42

Section E - Administrative

HIPAA Requirements.	5
Software Systems.	5
Software Systems.	5
Service Pricing (Fee Schedules).	5
Center Fees Explained.	6
Common Approaches to Establishing	
Center Fees.	8
Recommended Exercise.	9
Definitions.	9
Competitive Market Analysis.	11
Medical Billing.	12
Fee Schedules.	14
Copays, Deductibles, & Co-Insurance.	15
Medical Billing – An Example	16
Total Paid on Claim From	
Insurance Company.	17
Billing Insurance Companies.	18
Insurance Billing Process.	19
Billing Private Pay (Self-Pay) Patients.	20
Billing Occupational Health.	20
Collections.	21
System Outage.	22

System Downtime.	22
Paper Encounter Forms.	24
Accepting Payment.	25
Accepting Cash.	25
Accepting Credit Cards.	25
Accepting Checks.	26
Closeout Procedures.	27
Inventory Management.	28
Use of Approved Suppliers.	28
Ordering Procedures.	28
Receiving Procedures.	28
Stocking and Inventory.	29
Generating Business Reports.	30
Reports.	31
Analyzing Reports.	31
File Management.	32
Safe Recordkeeping.	32
Patient Record Retention Procedures.	32
Finance.	34
Pro forma.	34
Accounting & Financial Reporting.	35
Exit Strategy.	37
Continuing Service and Royalty Payment.	39
Marketing Fund Contributions.	40
Electronic Funds Transfer.	40
Annual Royalty and Marketing Fund Draft Dates.	41
Royalty and Marketing Fund Calculation.	42
Patient Visit Report.	46

Section F - Marketing

Marketing Objective.	4
Marketing Priorities.	4
The AFC Brand.	5
Using the AFC Marks.	5
Guidelines for Use.	5
Logo & Signage Specifications.	6
Signage Requirements.	7
Marketing.	7
Marketing Toolkit.	7
Marketing AFC.	7
Using the Campaign Calendar.	9
Channel Marketing Strategy.	9
Do the Research (Analyze).	9
Required Advertising Expenditures.	11
Local Advertising Requirement.	11
Marketing Fund.	12
Regional Cooperative Advertising.	12
Grand Opening Advertising.	12
Grand Opening Activities.	12
Advertising Ideas.	13
Recommended Activities.	13

Planning	15
Who to Invite.	15
Invitations.	15
Entertainment	15
Catering.	15
Speakers.	16
Food/Beverage.	16
Marketing Materials.	16
Sample Grand Opening Schedule.	16
Tips for Getting Media Coverage for your Grand Opening.	17
Media Outreach Checklist and Timeline.	17
Outreach Checklist and Timeline.	17
Public Relations.	19
Writing a Press Release.	19
Generating Local Press Coverage.	20
Your How-To Guide.	20
Preparing for the Media Interview.	22
Giving the Interview.	22
Crisis Communication Plan.	23
Other Tips about the Media.	25
Online Marketing Assets & Activities.	26
Out-of-Home (OOH) Advertising.	29
Newspaper.	31
Billboard Advertising.	32
Community Outreach/Involvement/Sponsorship	32
Ways to be Involved.	32
Other Advertising.	34
Promotional.	35
AFC Store.	35
Campaigns.	36
Campaign Schedule.	36
National Flu Prevention Week.	36
Holiday Campaigns.	36
Patient Engagement.	37
Net Promoter Score (NPS).	37
Prescription Savings.	38
In-Center Marketing.	39
Phone Training.	39
Operation Hours.	40
Marketing Closer Checklist.	40

Section G - Occupational Health & Marketing

Workers' Compensation.	4
What is Workers' Compensation?.	4
Who Qualifies for Workers' Compensation	
Benefits.	4
Insurance Issues.	5
The AFC Difference.	6
Employer's Accident Responsibility.	6
Employer's Efforts to Control Costs.	6
How Companies Use Provider Choice to	

Reduce Costs.	7
The AFC Difference.	7
Here are some quick points of differentiation.	7
AFC Occupational Health services include	8
DOT Related Drug and Alcohol Tests.	9
Bringing Your Occupational Health Program to Market.	9
Basic Client Service Expectations of AFC.	10
Offering Occupational Health.	11
Working with Human Resources.	11
How AFC Saves Time and Money.	11
Working with Safety/Compliance.	11
Understanding Other Occupational Health Delivery Models.	12
Conducting Your Own Occupational Health Market Survey.	12
Defining the Market.	13
Knowing Your Competition.	14
Overcoming Obstacles in Your Occupational Health Program.	15
The Treating Provider's Role in Workers' Comp Visits.	16
Provider's Role.	16
Developing Return-to-Work Plans.	17
Prescribing Activity.	18
Activity Prescription Explanation.	18
Duration.	20
Guidance on Medical Confidentiality in the Workplace.	20
Getting Started.	22
Get ALL Center Staff in the Sales Game	28
Teamwork in Action: Sales/Marketing Responsibilities.	28
Determine the Provider's Role in Occupational Health Marketing.	28
Clearly Define Your Time Commitment	29
Show Value.	29
Occupational Health Sales Process.	30
Using Your Provider for Sales and Marketing.	31
Making the Most of Providers' Time with Employers.	31

EXHIBIT H

SAMPLE GENERAL RELEASE

EXHIBIT N
GENERAL RELEASE

The following is our current general release language that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

General Release

THIS GENERAL RELEASE (the “**Release**”) is made and entered into on this ____ day of _____, 20__ (the “**Effective Date**”), by and between:

- AFC Franchising, LLC, an Alabama limited liability company whose principal place of business is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**Franchisor**”); and
- _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at [“(Franchisee”)”] [“(Transferor”)”].

ROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated _____ (the “**Agreement**”);

B. Franchisor and Franchisee have agreed, pursuant to the Agreement, [to renew or extend Franchisee’s rights under the Agreement (the “**Renewal Transaction**”)] [to permit a transfer or assignment of _____ pursuant to the Agreement (the “**Transfer Transaction**”)], and in connection with the [Renewal Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction].

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

1. Release. [Franchisee] [Transferor], on its ~~officers and directors, its owners, and their~~ own behalf and on behalf of its current and former parents, affiliates, and subsidiaries, and your and each of the foregoing person’s or entity’s respective agents, spouses, heirs, executors, administrators, principals, attorneys, partners, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (the “**Franchisee Group**”), hereby forever release and discharge, and forever hold harmless AFC Franchising, LLC, its current and former parents, subsidiaries, and affiliates, and their our and each of such foregoing entity’s respective ~~shareholders, partners, members~~ current and former owners, officers, directors, ~~officers~~ employees, managers, agents, representatives, ~~heirs, administrators~~ predecessors, successors, and assigns (the “**Franchisor Group**”), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Agreement, the relationship created by the Agreement, or the development, ownership, or operation of ~~the Franchised Business~~ any American Family Care Center. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys’, accountants’, and expert witness fees, costs

of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Agreement or ~~the Franchised Business~~ any American Family Care Center. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein and further covenant not to sue the Franchisor Group on any of the claims released by this paragraph.

IF FRANCHISEE'S CENTER IS LOCATED IN CALIFORNIA OR IF THE FRANCHISEE PARTIES ARE RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS THE [FRANCHISEE] [TRANSFEROR]'S INTENTION, ON ITS OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY THE FRANCHISEE PARTIES. [FRANCHISEE] [TRANSFEROR] RECOGNIZE THAT THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR GROUP OF WHICH THEY ARE TOTALLY UNAWARE AND UNSUSPECTING, WHICH THEY ARE GIVING UP BY EXECUTING THIS RELEASE. IT IS [FRANCHISEE] [TRANSFEROR]'S INTENTION, ON ITS OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE EACH OF THEM OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT THEM FROM ASSERTING IT AGAINST THE FRANCHISOR GROUP. IN FURTHERANCE OF THIS INTENTION, [FRANCHISEE] [TRANSFEROR], ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

[FRANCHISEE] [TRANSFEROR] ACKNOWLEDGES AND REPRESENTS THAT IT HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT [FRANCHISEE] [TRANSFEROR] UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing, and agreed to by all of the parties hereto.

This release expressly excludes claims arising from representations in Franchisor’s FDD or its exhibits or its amendments thereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

<u>AFC Franchising, LLC</u>	_____
Franchisor	
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT I

STATE ADDENDA AND AGREEMENT RIDERS

EXHIBIT J
STATE-SPECIFIC ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
AFC FRANCHISING, LLC

The following are additional disclosures for the Franchise Disclosure Document of AFC Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to Franchisee if the applicable state franchise registration and disclosure law applies to you.

1. California

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

2. Illinois

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. Indiana

CALIFORNIA

4. Maryland

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

5. Michigan

6. Minnesota

7. New York

8. Rhode Island

9. Virginia

10. Washington

11. Wisconsin

California Disclosure

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Disclosure Document for AFC Franchising, LLC in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. Our website, www.afcurgentcare.com, has not been reviewed or approved by the California Department of Investor Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Investor Protection and Innovation at www.dfpi.ca.gov.

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

3. SECTION 31125 OF THE CALIFORNIA—CORPORATIONS CODE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, ~~IN A FORM CONTAINING THE INFORMATION THAT APPROVED BY~~ THE COMMISSIONER ~~MAY BY RULE OR ORDER REQUIRE~~ OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING YOUR AREA DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

4. ~~YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).~~

4. OUR WEBSITES, www.afcurgentcare.com and www.afcfranchising.com, HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

5. ~~In Item 3, "Litigation," shall be amended by the addition of the following paragraphs:~~

5. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division

6. In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

~~Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.~~

~~Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.~~

~~6. In Item 4, "Bankruptcy," shall be amended by the addition of the following paragraph:~~

~~Neither we nor any affiliates, parents, officers, or any other individual who will have management responsibility relating to the sale or operation of the franchises being offered in this franchise disclosure document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or any foreign bankruptcy laws required to be disclosed in this Item.~~

~~7. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraph(s) at the conclusion of the Item:~~

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

~~The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, et seq.).~~

~~The Franchise Agreement and Area Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.~~

~~The Franchise Agreement and Area Development Agreement require application of the laws of the State of Alabama. This provision may not be enforceable under California law.~~

~~The Franchise Agreement requires non-binding mediation before arbitration. You and we will bear our own costs in the mediation, and you and we will each bear one-half the cost of the mediator or mediation service. The Franchise Agreement and Area Development Agreement provide that except for certain claims, all disputes must be arbitrated in Birmingham, Alabama. This provision may not be enforceable under California law.~~

~~Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement or area development agreement restricting venue to a forum outside the State of California.~~

~~8. Item 19, "Financial Performance Representations," is amended by the addition of the following paragraph:~~

~~The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.~~

~~9. California Laws Regarding the Practice of Medicine:~~

~~7. CALIFORNIA PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM PRACTICING, ANY SYSTEM OR MODE OF TREATING THE SICK OR AFFLICTED IN THIS STATE, OR WHO DIAGNOSES, TREATS, OPERATES FOR, OR PRESCRIBES FOR ANY AILMENT, BLEMISH, DEFORMITY, DISEASE, DISFIGUREMENT, DISORDER, INJURY OR OTHER PHYSICAL OR MENTAL CONDITION OF ANY PERSON. (See Business and Professions Code section 2052.)~~

8. You are responsible for complying with all laws that apply to your ~~Franchised Business and the Center that you manage~~, including those relating to the medical industry, which is heavily regulated. To assist you in your efforts, we provide the following additional information to facilitate your evaluation of a potential franchised business in California:

If you operate within California, one of the laws that will apply to you and which you should evaluate is the California Medical Practice Act, which includes certain prohibitions against the corporate practice of medicine. The Medical Board of California is a state government agency which licenses and disciplines medical doctors in California. The California laws governing the practice of medicine and other allied health care professions that are regulated by the California Medical Board are contained in the California Business and Professions Code. Additional information regarding the Medical Board and the California Medical Practice Act may be found on the California Medical Board's website at <http://www.medbd.ca.gov/>.

We strongly advise that you consult with an attorney who is familiar with these laws and regulations, and/or contact local, state and federal agencies before signing a Franchise Agreement with us, or a Management Agreement with a PC, to determine your legal obligations and evaluate the possible effects on your costs and operations.

9. [The following is added at the end of Item 3:](#)

~~Illinois Disclosure~~

~~In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the Disclosure Document for AFC Franchising, LLC for use in the State of Illinois will be amended as follows:~~

~~Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.~~

10. The following paragraphs are added to the Remarks column in Item 6 to the row titled “Interest on Overdue Amounts”:

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

11. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and area developers concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. These provisions might not be enforceable under California law.

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement and Area Development Agreement require application of the laws of the State of Alabama. This provision might not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Area Development Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement and Multi-Unit Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Multi-Unit Agreement require binding arbitration. The arbitration will be conducted at our then current principal place of business (currently Irvine, California) or another location that we designate with the costs being borne as provided in the Franchise Agreement and Multi-Unit Agreement. Prospective developers and franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and Multi-Unit Agreement restricting venue to a forum outside the State of California.

12. The following paragraph is added to the end of Item 19:

The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

HAWAII

DO NOT SIGN THE REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT (ATTACHED AS EXHIBIT F TO THE FRANCHISE AGREEMENT) IF YOU ARE LOCATED, OR YOUR CENTER WILL BE LOCATED, IN THE STATE OF HAWAII.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

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

2. ~~1.~~ The "Summary" section of Item 17-~~(v)~~u, entitled "Dispute resolution by arbitration or mediation, and the "Summary" section of Item 17.v, entitled "Choice of Fforum, is amended by adding", are supplemented with the following language:

~~However, any provision in the Franchise Agreement and Area Development Agreement that designate jurisdiction or venue in a forum outside of the State of Illinois is void under section 4 of the current Illinois Franchise Disclosure Act, although the Franchise Agreement and Area Development Agreement may provide for arbitration in a forum outside of the State of Illinois.~~

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

3. ~~2.~~ The "Summary" section of Item 17-~~(w)~~, entitled "Choice of Law", is ~~amended by adding~~deleted and replaced with the following language:

~~However, except for federal law, Illinois law applies.~~

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and Multi-Unit Agreement.

4. The following paragraphs are added to the end of Item 17:

~~3.~~ Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement/multi-unit agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~4. Each section above in this addendum will be effective only if (and then to the extent) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (i.e., by facts and not simply by referencing this addendum).~~

5. ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. THEREFORE, YOU MAY NOT WAIVE THE MANAGEMENT AGREEMENT COMPONENT OF THIS FRANCHISE OFFERING. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2014) and Medical Practice Act of 1987, 225 ILCS 60/3 (West 2014).

6. WHILE ITEM 8 DISCLOSES THAT YOU MUST PURCHASE SOME OF YOUR MEDICAL EQUIPMENT & MEDICAL SUPPLIES FROM FRANCHISOR'S

AFFILIATE, THIS MAY CONSTITUTE A VIOLATION OF HEALTHCARE LAWS AND REGULATIONS, AS UNLICENSED PERSONS MAY NOT DICTATE MEDICAL EQUIPMENT & SUPPLIES TO BE USED BY MEDICAL PROVIDERS.

7. IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL OWN AND PROVIDE MEDICAL SERVICES IN THE CLINIC THAT YOU WILL BE RESPONSIBLE FOR MANAGING. YOUR COMPENSATION FROM THE MEDICAL SERVICES PROVIDED, AS WELL AS ROYALTIES, YOU MUST PAY ON REVENUES FROM MEDICAL SERVICES PROVIDED BY THOSE MEDICAL PROFESSIONALS WILL BE AN IMPORTANT CONSIDERATION THAT SHOULD NOT BE OVERLOOKED. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

Indiana Disclosure

~~In recognition of the requirements of the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act, the Disclosure Document for AFC Franchising, LLC for use in the State of Indiana will be amended as follows:~~

MARYLAND

~~Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise, unless there is a material violation of the Franchise Agreement and Area Development Agreement, and termination is not in bad faith. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Trade Practices Law, I.C. 23-2-2.5.~~

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

~~The post-term covenants against competition in the Franchise Agreement and Area Development Agreement may not be enforceable under Indiana law.~~

~~Item 8 of the Disclosure Document is amended to provide that we will promptly account for and transmit to franchisees in Indiana any revenues or other benefit received as a result of any required purchases from approved suppliers by Indiana franchisees. We may, however, obtain a rebate, or other benefits, as compensation for services rendered by us, which may include without limitation, efforts in negotiating, establishing and maintaining group purchasing and supplier arrangements.~~

2. The following is added to the end of the "Summary" sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:

~~The risk factors on the cover page state that Alabama law governs the franchise agreement and Area Development Agreement. This provision will not apply with respect to any cause of action which otherwise is enforceable in the State of Indiana pursuant to the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act.~~

~~To the extent any Item of this Disclosure Document conflicts with Indiana Code 23-2-2.5 and 2.7, such Indiana statutes govern.~~

~~Each section above in this addendum will be effective only if (and then to the extent) that the jurisdictional requirements of the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act are independently met (i.e., by facts and not simply by referencing this addendum).~~

Maryland Disclosure

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document for AFC Franchising, LLC for use in the State of Maryland shall be amended as follows:

1. ~~Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:~~

The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**, are amended to add the following:

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

4. The following language is added to the end of the chart in Item 17:

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

~~The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law:~~

The Franchise Agreement and Area Development Agreement provide that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

2. ~~Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provision "h":~~

5. The following is added to the end of the "Summary" section of Item 17.h, entitled "**Cause**" defined – non-curable defaults:

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

MINNESOTA

1. ~~4.~~ 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.

~~Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration~~

~~and Disclosure Law are met independently without reference to this addendum to the disclosure document.~~

2. Item 6 line item entitled “Lost Revenue Damages” will not be enforced to the extent prohibited by the applicable laws.

Michigan Disclosure

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

~~(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.~~

~~(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.~~

~~(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.~~

~~(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.~~

~~(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.~~

~~(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.~~

~~(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:~~

~~(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.~~

~~(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.~~

~~(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.~~

~~(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.~~

~~(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).~~

~~(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.~~

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

~~* * * * *~~

~~IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.~~

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~~THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.~~

~~ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:~~

~~DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE
670 G. MENNEN WILLIAMS BUILDING
LANSING, MICHIGAN 48913~~

~~NOTE: NOTWITHSTANDING PARAGRAPH (F) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS. WE BELIEVE THAT PARAGRAPH (F) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS.~~

Minnesota Disclosure

~~In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Disclosure Document for AFC Franchising, LLC, for use in the State of Minnesota shall be amended to include the following:~~

3. ~~•~~ Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit ~~the franchisor~~ us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. ~~•~~ With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

5. ~~•~~ Provided you have complied with all provision of Tthe fFranchisore Agreement applicable to the Marks, we will protect ~~the franchisee's~~ your rights to use the ~~trademarks, service marks, trade names, logos or other commercial symbols or indemnify the franchisee~~ Marks, and we also will indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding ~~the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to your use of the Marks in accordance with~~ Minnesota Statutes, Section 80C.12, Subd. 1(g).

6. ~~•~~ Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

7. ~~•~~ The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek ~~injunctive~~ relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

~~• 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.~~

8. ~~•~~ The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5. =

New York Disclosure

ADDITIONAL RISK FACTORS: NORTH DAKOTA

~~INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D 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 DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.~~

1. The section of the Item 6 chart, entitled **Lost Revenue Damages**, is deleted in its entirety.

~~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.~~

~~In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Disclosure Document for AFC Franchising, LLC for use in the State of New York shall be amended as follows:~~

~~1. Item 3, "Litigation" shall be amended by the addition of the following:~~

~~Neither we, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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.~~

~~Neither we, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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.~~

~~Neither we, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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.~~

~~Neither we, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, 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 injunctive 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.~~

~~Accordingly, except for the 12 actions described in Item 3 of this disclosure document, no litigation is required to be disclosed in this disclosure document.~~

2. ~~Item 4, "Bankruptcy" shall be deleted in its entirety, and the following Item 4 shall be substituted in lieu thereof:~~

~~Neither we, nor our affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

3. ~~The following is added to the end of Item 5:~~

~~The initial franchise fee constitutes part of our general operating funds and will be used as such at our discretion.~~

4. ~~Item 17, "Renewal, Termination, Transfer and Dispute Resolution," with respect to the Franchise Agreement and Area Development Agreement, is amended as follows:~~

2. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend", and Item 17(m), entitled "Conditions for franchisor approval of transfer":

~~"However, 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 provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied."~~

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

The following language replaces the "Summary" of 17(d), titled "Termination by franchisee":

~~"You may terminate the agreement on any grounds available by law."~~

The following is added to the end of the "Summary" of 17(j), titled "Assignment of contract by franchisor":

~~"However, no assignment will be made except to an assignee who is good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement."~~

3. The following language is added to the end of the "Summary" section of Item 17(v) in the table pertaining to the Development Agreement, entitled "Choice of forum", and 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."~~

Notwithstanding the foregoing, to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims under the North Dakota Franchise Investment Law.

5. ~~There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchise will be opened in New York. We are required to furnish a New York Franchise Disclosure Document to every prospective franchisee who is protected under the New York General Business Law, Article 33.~~

4. The “Summary” section of Item 17(w), entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Alabama will apply.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY
THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT
KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF
A MATERIAL FACT.

Rhode Island Disclosure

WASHINGTON

~~In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 the Disclosure Document for AFC Franchising, LLC for use in the State of Rhode Island shall be amended to include the following:~~

~~1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," for both the Franchise Agreement and Area Development Agreement shall be amended by the addition of the following:~~

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

~~2. This addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this addendum to the Disclosure document.~~

Virginia Disclosure

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for AFC Franchising, LLC for use in the Commonwealth of Virginia is amended to as follows:

1. Item 17, Additional Disclosure: The following statements are added to Item 17.h. for both the Franchise Agreement and the Area Development Agreement:

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 for default or termination stated in the Franchise Agreement/Area Development 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.

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/Area Development Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

2. This Addendum shall be effective only to the extent that the jurisdictional requirements of the Act are met independently with respect to such provision, without reference to this Addendum to the Franchise Disclosure Document.

Washington Disclosure

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the Disclosure Document for AFC Franchising, LLC in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

1. ~~Item 17, "Renewal, Termination, Transfer and Dispute Resolution," for both the Franchise Agreement and the Area Development Agreement, shall be amended by the addition of the following paragraphs at the conclusion of the Item:~~

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. ~~The state of Washington has a statute, Franchisee Bill of Rights, RCW 19.100.180, which may supersede provisions in the franchise agreement or area development related agreements in concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise or area development agreement. There may also be court decisions which may that supersede the franchise agreement and area development or related agreements in concerning your relationship with the franchisor including the areas of termination and renewal of your franchise and area development agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.~~

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, you a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights executed by in the franchise agreement or related agreements purporting to bind the franchisee may not include rights to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. -, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions such as those which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the

franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages under RCW 19.100 may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgment.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflicts with these limitations ~~are~~ is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits ~~us~~ a franchisor from restricting, restraining, or prohibiting ~~you~~ a franchisee from (i) soliciting or hiring any employee of a franchisee of ~~ours~~ the same franchisor or (ii) soliciting or hiring any employee of ~~ours~~ the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgements.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any

franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchisee Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

2. ~~Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, are met independently without reference to this addendum to the disclosure document.~~

~~Wisconsin Disclosure~~

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

~~In recognition of the requirements of the Wisconsin Fair Dealership Law, Chapter 135, the Disclosure Document for AFC Franchising, LLC in connection with the offer and sale of franchises for use in the State of Wisconsin shall be amended to include the following:~~

- ~~1. The Wisconsin Fair Dealership Law, Chapter 135, Wisconsin statutes supersedes any provision of this disclosure document that is inconsistent with that law.~~
- ~~2. Wisconsin Law [Stat. Section 135.04] may supersede the Franchise Agreement and Area Development Agreement in your relationship with us in the areas of termination and renewal.~~
- ~~3. Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law, Chapter 135, are met independently without reference to this addendum to the disclosure document.~~

EXHIBIT K
RIDER TO THE AFC FRANCHISING, LLC
STATE-SPECIFIC FRANCHISE AGREEMENT-AMENDMENTS
FOR USE IN ILLINOIS

THIS RIDER (this “**Rider**”) is made and entered into by and between AFC Franchising, LLC, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

1. **Illinois**

2. **Indiana**

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because Franchisee is domiciled in the State of Illinois, or (b) the offer for the sale of the franchise was made or accepted in the State of Illinois and the Center that Franchisee operates under its Franchise Agreement is or will be operated in the State of Illinois.

3. **Maryland**

4. **Michigan**

5. **Minnesota**

6. **New York**

7. **Rhode Island**

8. **Virginia**

9. **Washington**

Illinois Franchise Agreement Amendment

~~In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached AFC Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:~~

~~1. Section 13 of the Agreement, under the heading "Expiration of this Agreement," will be amended by the addition of the following new paragraph, which will be considered an integral part of the Agreement:~~

~~2. Your rights upon non-renewal of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.~~ The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

~~2. Section 14 of the Agreement, under the heading "Termination of Agreement," will be amended by the addition of the following new paragraph, which will be considered an integral part of the Agreement:~~

~~Your rights upon termination of a Franchise Agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

~~3. Sections 17.6 and 17.7 of the Agreement, under the heading "Enforcement," will be deleted in its entirety, and will have no force or effect; and the following new paragraphs will be substituted instead:~~

~~17.6 Governing Law~~

~~Illinois law governs the agreements between the parties to this franchise.~~

~~17.7 Consent to Jurisdiction~~

~~You and your owners agree that~~ Section 4 of the Illinois Franchise Disclosure Act provides that any provision in ~~the~~a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, ~~the~~a franchise agreement may provide for arbitration ~~in a venue~~ outside of Illinois.

~~4. Section 17 of the Agreement, under the heading "Enforcement," shall be amended by the addition of the following paragraph, which shall be considered an integral part of the Agreement:~~

~~5. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.~~

Franchisee's rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. THEREFORE, YOU MAY NOT WAIVE THE MANAGEMENT AGREEMENT COMPONENT OF THIS FRANCHISE OFFERING. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2014) and Medical Practice Act of 1987, 225 ILCS 60/3 (West 2014)

~~4. WHILE ITEM 8 DISCLOSES THAT YOU MUST PURCHASE SOME OF YOUR MEDICAL EQUIPMENT & MEDICAL SUPPLIES FROM FRANCHISOR'S AFFILIATE, THIS MAY CONSTITUTE A VIOLATION OF HEALTHCARE~~ IN COMPLIANCE WITH APPLICABLE

LAWS AND ~~REGULATIONS, AS UNLICENSED PERSONS MAY NOT DICTATE MEDICAL EQUIPMENT & SUPPLIES TO BE USED BY MEDICAL PROVIDERS~~DIRECTED BY THE PC.

5. IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL OWN AND PROVIDE MEDICAL SERVICES IN THE CLINIC THAT YOU WILL BE RESPONSIBLE FOR MANAGING. YOUR COMPENSATION FROM THE MEDICAL SERVICES PROVIDED, AS WELL AS ROYALTIES YOU MUST PAY ON REVENUES FROM MEDICAL SERVICES PROVIDED BY THOSE MEDICAL PROFESSIONALS WILL BE AN IMPORTANT CONSIDERATION THAT SHOULD NOT BE OVERLOOKED. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

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

(signature page follows)

6. ~~Each section above in this amendment will be effective only if (and then to the extent) that the jurisdictional requirements of the Illinois Franchise Disclosure Act are independently met (i.e., by facts and not simply by referencing this amendment).~~

~~{Signatures on following page.}~~

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

RIDER TO THE AFC FRANCHISING, LLC

FRANCHISE AGREEMENT
Indiana Franchise Agreement Amendment
FOR USE IN MARYLAND

In recognition of the requirements of the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act (the "Indiana Code"), the parties to the attached AFC Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

THIS RIDER (this "**Rider**") is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 ("**we**," or "**us**"), and

_____, a(n) _____ whose principal business address is _____ ("**you**" or "**Franchisee**").

1. Pursuant to Section 23.2-2.7-1(1) of the Indiana Code a franchise agreement may not contain a provision: "Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor." If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Agreement shall be superseded by the Law's requirements.

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "**Franchise Agreement**"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland; or (b) the Center that Franchisee operates under its Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

2. The following is added to the end of Section 12.3(1) under the heading "Conditions for Approval of Transfer", Section 13(e) under the heading "**EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE**", and Section 15.5(b) under the heading "Our Right to Purchase Certain Assets of your Center" of the Franchise Agreement:

2. Pursuant to Section 23.2-2.7-1(4) of the Indiana Code a franchise agreement may not contain a provision: "Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee." If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Agreement shall be superseded by the Law's requirements; provided, however, nothing herein will prohibit us from obtaining a rebate, or other benefits, related to this Agreement as compensation for services rendered by us, which may include without limitation, efforts in negotiating, establishing and maintaining group purchasing and supplier arrangements.
3. Pursuant to Section 23.2-2.7-1(5) of the Indiana Code, a franchise agreement may not contain a provision "requiring a franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this

~~chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.” If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Agreement shall be superseded by the Law’s requirements.~~

- ~~4. Pursuant to Section 23.2-2.7-1(10) of the Indiana Code, a franchise agreement may not contain a provision “Limiting litigation brought for breach of the agreement in any manner whatsoever.” If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Agreement shall be superseded by the Law’s requirements.~~
- ~~5. Each provision of this Amendment to the Agreement shall be effective only to the extent that the jurisdictional requirements of the Indiana Code are met independently with respect to such provision and without reference to this Amendment to the Agreement.~~
- ~~6. We reserve the right to challenge the applicability of any law that declares provisions in the Agreement void or unenforceable.~~

~~IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Indiana Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.~~

~~**AFC FRANCHISING, LLC**, an Alabama
limited liability company~~

FRANCHISEE

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

~~By: _____~~

~~Title: _____~~

~~Dated: _____~~

{Name}

By: _____

Title: _____

Dated: _____

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

{Signature}

{Print Name}

{Signature}

{Print Name}

Maryland Franchise Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached AFC Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 12.3 (i), under the heading "Conditions for Approval of Transfer," is amended by adding the following language at the end of the section:

The general release required as a condition of assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of Section 14.1 under the heading "Automatic Termination" of the Franchise Agreement:

This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. The following is added to the end of Section 17.5.2 under the heading "Arbitration" of the Franchise Agreement:

2. Section 13(5), under the heading "Expiration of this Agreement/Renewal," is amended by adding the following language at the end of the section:

~~The general release required as a condition of renewal will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. 3. The following is added to the end of Section 17.6 ~~of the Agreement~~, under the heading "Governing Law," and Section 17.7 ~~of the Agreement~~, under the heading "Consent to Jurisdiction," ~~are amended by the addition of the following~~ Franchise Agreement:

A franchisee may bring a ~~lawsuit~~ in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. 4. The following is added to the end of Section 17.10 ~~of the Agreement~~, 17.9 under the heading "Limitation of Claims," ~~is amended by adding the following language at the end of the section of the Franchise Agreement:~~

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

7. 5. Section 2026 of the Franchise Agreement, under the heading "Acknowledgments, ACKNOWLEDGMENTS" shall be amended by the following:

~~The foregoing acknowledgments~~ All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to, nor shall they;

act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

(signature page follows)

~~Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.~~

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

RIDER TO THE AFC FRANCHISING, LLC

FRANCHISE AGREEMENT
Minnesota Franchise Agreement Amendment
FOR USE IN MINNESOTA

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Agreement for AFC Franchising, LLC, for use in the State of Minnesota shall be amended to include the following:

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and

_____ a(n) _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

- ~~Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Agreement 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:~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Franchisee is a resident of the State of Minnesota, (b) the Center that Franchisee will operate under the Franchise Agreement is or will be located in the State of Minnesota; or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in the State of Minnesota.

2. The following sentence is added to the end of Section 5.5 under the heading “Indemnification for Use of Marks” of the Franchise Agreement:

- ~~With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld:~~

• **The Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, the** franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. The following is added to the end of Section 12.3(1) under the heading “Conditions for Approval of Transfer”, Section 13(e) under the heading “**EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE**”, Section 15.5(b) under the heading “Our Right to Purchase Certain Assets of your Center” of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. The following language is added to the end of Section 15.7 under the heading “Lost Revenue Damages” of the Franchise Agreement:

- ~~Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release:~~

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

5. The following is added as a new paragraph to the end of Section 13 and as a new Section 15.8 to the Franchise Agreement under the heading “New Agreement Upon Expiration and Termination of Agreement”:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

6. The following is added to the end of Section 17.5.1 under the heading “Mediation” and Section 17.5.2 under the heading “Arbitration” of the Franchise Agreement:

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

7. The following is added to the end of Section 17.6 under the heading “Governing Law” of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of Franchisee’s rights under Minnesota Statutes Chapter 80C or Franchisee’s right to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. The following is added to the end of Section 17.7 under the heading “Consent to Jurisdiction” of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

9. If and then only to the extent required by the Minnesota law, Section 17.8 of the Franchise Agreement, under the heading “Waiver of Punitive Damages, Class Action, and Jury Trial” are deleted.

10. The following is added to the end of Section 17.9 under the heading “Limitation of Claims” of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

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

• ~~The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.~~
[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

New York Franchise Agreement Amendment
RIDER TO THE AFC FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached AFC Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

THIS RIDER (this "**Rider**") is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 ("**we**," or "**us**"), and

a(n) _____ whose principal business address is _____ ("**you**" or "**Franchisee**").

1. ~~Section 12.1, under the heading "Transfer," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "**Franchise Agreement**"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota, (b) an offer to buy is accepted in the State of North Dakota; or (c) if the franchisee is domiciled in the State of North Dakota, the franchised business is or will be operated in the State of North Dakota.

2. The following is added to the end of Section 12.3(1) under the heading "Conditions for Approval of Transfer", Section 13(e) under the heading "**EXPIRATION OF THIS AGREEMENT; SUCCESSOR FRANCHISE**", Section 15.5(b) under the heading "Our Right to Purchase Certain Assets of your Center" of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law

~~You understand and acknowledge that the rights and duties this Agreement creates are personal to you and that we have granted you the Franchise in reliance upon our perceptions of your individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Franchised Business (or any right to receive all or a portion of the Franchised Business's profits or losses or capital appreciation related to the Franchised Business); (iii) your lease; (iv) substantially all of the assets of the Franchised Business; (v) any ownership interest in you (regardless of its size); or (vi) any ownership interest in any of your owners. A transfer of the Franchised Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.~~

3. The following is added to the end of Section 15.4 under the heading "**Covenant Not to Compete**" and Section 15.6 under the heading "**Continuing Obligations**" of the Franchise Agreement:

2. ~~Section 12.3 (i), under the heading “Conditions for Approval of Transfer,” is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:~~

Covenants not to compete, such as those mentioned above, are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

~~(i) You sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;~~

3. ~~Sections 13(4) and 13(5), under the heading “Expiration of this Agreement/Renewal,” is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:~~

~~You agree to execute the current form of franchise agreement which may contain provisions that differ materially from any and all of those contained in this Agreement; provided, however, that the Royalty owed under the successor agreement for the first renewal term and the geographic area granted as the Territory will be the same as under this Agreement. You further agree to sign a general release, in a form satisfactory to us, of any and all claims against us and our members, officers, directors, employees, agents, successors, and assigns, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.~~

4. ~~Section 14 of the Agreement does not provide for termination by you. However, you may terminate the agreement on any grounds available by law.~~

5. ~~The first paragraph in Section 17.5.1 of the Agreement, under the subheading “Mediation,” shall be deleted in its entirety and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:~~

~~Before you and we may bring an action in court against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding and shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association-endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Notwithstanding the previous sentence, the parties may mutually agree on a mediator and/or procedures and/or venue for mediation. Notwithstanding anything to the contrary, this Section 17.5 shall not bar you or we from seeking judicial or injunctive relief for claims that are based solely on demands for money owed, or from seeking injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; including, without limitation, claims involving the Marks.~~

6. ~~Section 17.5.2 of the Agreement, under the subheading “Arbitration,” provides that any disputes between us shall be determined by binding arbitration to be held in Jefferson County, Alabama. This provision may not be enforceable under New York General Business Law.~~

4. 7. The following language is added to the end of Section 17 of the Agreement, 15.7
under the heading “Enforcement,” ~~shall be amended by the addition of the following language~~Lost
Revenue Damages” of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

~~Nothing in this Agreement should be considered a waiver of any right conferred upon us or you by Article 33 of the General Business Law of the State of New York.~~

8. ~~There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if franchisee is domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.~~

{Signatures on following page.}

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed:

AFC FRANCHISING, LLC, an Alabama
limited liability company

FRANCHISEE

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

By: _____

Title: _____

Dated: _____

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

Rhode Island Franchise Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached AFC Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

5. ~~4.~~ The following is added to the end of Section 17 of the Agreement, 17.5.2 under the heading "Enforcement," shall be amended by the addition of the following Arbitration" of the Franchise Agreement:

; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

6. The following is added to the end of Section 17.6 under the heading "Governing Law" of the Franchise Agreement:

Except to the extent required by North Dakota law, the laws of the State of Alabama will apply.

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

7. The following is added to the end of Section 17.7 under the heading "Consent to Jurisdiction" of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. To the extent required by the North Dakota Franchise Investment Law, Section 17.8 under the heading "Waiver of Punitive Damages, Class Action, and Jury Trial" and Section 17.9 under the heading "Limitations of Claims" of the Franchise Agreement are deleted. Otherwise, the following is added to the end of Section 17.8 and Section 17.9:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

2. ~~This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.~~

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

{Signatures on following page.}

~~IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed:~~

~~AFC FRANCHISING, LLC, an Alabama
limited liability company~~

FRANCHISEE

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

~~By: _____~~

~~Title: _____~~

~~Dated: _____~~

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

Virginia Franchise Agreement Amendment

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the parties to the attached AFC Franchising, LLC Franchise Agreement agree as follows:

1. 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 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.

2. 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 involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

This Addendum shall be effective only to the extent that the jurisdictional requirements of the Act are met independently with respect to such provision, without reference to this amendment.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this ~~Virginia~~North Dakota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

Washington Franchise Agreement Amendment

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached AFC Franchising, LLC Franchise Agreement agree as follows:

RIDER TO THE AFC FRANCHISING, LLC FRANCHISE AGREEMENT AND RELATED AGREEMENTS FOR USE IN WASHINGTON

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” or “**us**”), and

_____ a(n) _____ whose principal business address is _____ (“**you**” or “**Franchisee**”).

BACKGROUND. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. ~~The state of Washington has a statute,~~ **Franchisee Bill of Rights**, RCW 19.100.180, ~~which~~ may supersede provisions in the franchise agreement ~~in or related agreements concerning~~ your relationship with ~~us~~ 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 ~~us~~ the franchisor. Franchise agreement provisions, including ~~the areas of termination and renewal of your~~ those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, ~~you~~ a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights ~~executed by you may 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 rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. ~~-, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).~~

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those~~ which 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 ~~on~~the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages under RCW 19.100 may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflicts with these limitations ~~are~~is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits ~~usa~~ franchisor from restricting, restraining, or prohibiting ~~you~~ a franchisee from (i) soliciting or hiring any employee of a franchisee of ~~ours~~ the same franchisor or (ii) soliciting or hiring any employee of ~~ours~~ the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchisee Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT L
THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE
AREA DEVELOPMENT AGREEMENT-AMENDMENTS

THE RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

1. Illinois

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and _____ whose principal business address is _____ (“**you**” or “**Developer**”).

2. Indiana

1. BACKGROUND. We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) Developer is domiciled in the State of Illinois, or (b) the offer for the sale of the franchise was made or accepted in the State of Illinois and the Illinois Centers that Developer will develop under its Development Agreement is or will be developed in the State of Illinois.

2. Illinois Franchise Disclosure Act: The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

3. Maryland

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

4. Minnesota

5. New York

6. Rhode Island

7. Virginia

8. Washington

Illinois Area Development Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached AFC Franchising, LLC Area Development Agreement (the "Agreement") agree as follows:

If any of the provisions of this contract governing applicable law, termination or non-renewal or jurisdiction and venue are inconsistent with Illinois law, then Illinois law shall apply.

Section 41 of the Illinois law Franchise Disclosure Act provides that any condition ~~or~~ stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with ~~any provisions~~ the Illinois Franchise Disclosure Act or any other law of Illinois ~~law~~ is void.

~~Any litigation or arbitration between us and you may be instituted in any court of competent jurisdiction in Illinois.~~

Franchisee's rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~Section XIII is hereby amended to add:~~

~~"Nothing in the Area Development Agreement is intended to disclaim the express representations Franchisor made in the Franchise Disclosure Document."~~

3. ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. THEREFORE, YOU MAY NOT WAIVE THE MANAGEMENT AGREEMENT COMPONENT OF THIS FRANCHISE OFFERING. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2014) and Medical Practice Act of 1987, 225 ILCS 60/3 ("West 2014)

4. ~~WHILE ITEM 8 DISCLOSES THAT YOU MUST PURCHASE SOME OF YOUR MEDICAL EQUIPMENT & MEDICAL SUPPLIES FROM FRANCHISOR'S APPROVED VENDOR OR AFFILIATE, THIS MAY CONSTITUTE A VIOLATION OF HEALTHCARE LAWS AND REGULATIONS, AS UNLICENSED PERSONS MAY NOT DICTATE MEDICAL EQUIPMENT & SUPPLIES TO BE USED BY MEDICAL PROVIDERS~~ IN COMPLIANCE WITH APPLICABLE LAWS AND AS DIRECTED BY THE PC.

5. IF YOU ARE NOT LICENSED TO PRACTICE MEDICINE, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL OWN AND PROVIDE MEDICAL SERVICES IN THE CLINIC THAT YOU WILL BE RESPONSIBLE FOR MANAGING. YOUR COMPENSATION FROM THE MEDICAL SERVICES PROVIDED, AS WELL AS ~~THE~~ ROYALTIES YOU MUST PAY ON REVENUES FROM MEDICAL SERVICES PROVIDED BY THOSE MEDICAL PROFESSIONALS WILL BE AN IMPORTANT CONSIDERATION THAT SHOULD NOT BE OVERLOOKED. YOU SHOULD RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

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

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

(signature page follows)

~~Except as modified by this Addendum, the Area Development Agreement remains in full force and effect.~~

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

DEVELOPER:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____
Name: _____
Title: _____
Dated: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

~~Indiana Area Development Agreement Amendment~~

RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and _____ whose principal business address is _____ (“**you**” or “**Developer**”).

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) Developer is a resident of the State of Maryland; or (b) the development area is or will be located in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

2. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of Section V.B under the heading “DEFAULT” of the Development Agreement:

~~In recognition of the requirements of the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act (the “Indiana Code”), the parties to the attached AFC Franchising, LLC Area Development Agreement (the “Agreement”) agree as follows:~~

~~The provision which provides for termination upon your bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).~~

- ~~1. Pursuant to Section 23.2-2.7-1(5) of the Indiana Code, a franchise agreement or area development agreement may not contain a provision “requiring a franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.” If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Agreement shall be superseded by the Law’s requirements.~~
- ~~2. Pursuant to Section 23.2-2.7-1(10) of the Indiana Code, a franchise agreement or area development agreement may not contain a provision “Limiting litigation brought for breach of the agreement in any manner whatsoever.” If the Agreement contains a provision that is inconsistent with the Indiana Code, the provisions of the Agreement shall be superseded by the Law’s requirements.~~
- ~~3. Each provision of this Amendment to the Agreement shall be effective only to the extent that the jurisdictional requirements of the Indiana Code are met independently with respect to such provision and without reference to this Amendment to the Agreement.~~
- ~~4. We reserve the right to challenge the applicability of any law that declares provisions in the Agreement void or unenforceable.~~

[Signatures on following page.]

~~IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Indiana Amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.~~

~~AFC FRANCHISING, LLC, an Alabama
limited liability company~~

~~By: _____~~

~~Title: _____~~

~~Dated: _____~~

FRANCHISEE

**(IF YOU ARE A CORPORATION, LIMITED
LIABILITY COMPANY, OR PARTNERSHIP):**

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT A
LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

Maryland Area Development Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached AFC Franchising, LLC Area Development Agreement (the "Agreement") agree as follows:

~~4.~~ 1. The following is added to the end of Section VI.C(5) under the heading "Transferability" incorporates Section 12 of the Franchise TRANSEERABILITY of the Development Agreement by reference.:

~~2. Section 12.3 (i), of the Franchise Agreement is amended by adding the following language at the end of the section:~~

~~The general~~ Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to ~~any liability~~ claims arising under the Maryland Franchise Registration and Disclosure Law.

~~5. Any claims arising under the Maryland Franchise Registration Disclosure Law must be brought within 3 years after the grant of the franchise.~~

~~6. The following paragraphs are added to the end of Section XII, under the heading "DISPUTE RESOLUTION" of the Development Agreement:~~

~~3. Section XII of the Agreement, under the heading "Entire Agreement; Applicable Law," and Section XIV of the Agreement, under the heading "Arbitration," are amended by the addition of the following:~~

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

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

~~4. Section XIII of the Agreement, under the heading "Disclaimer," shall be amended to add the following:~~

~~The foregoing acknowledgments are not intended to, nor shall they act as a, release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.~~

~~7.~~ 5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(signature page follows)

~~6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.~~

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

FRANCHISEE DEVELOPER:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Name]

By: _____
Name: _____
Title: _____
Dated: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT A
LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

Minnesota Area Development Agreement Amendment

RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER (this "Rider") is made and entered into by and between AFC Franchising, LLC, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 ("we" or "us"), and
a(n) _____ whose principal business address is _____ ("you" or "Developer").

1. **BACKGROUND.** We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the Developer is a resident of the State of Minnesota; (b) the development area is or will be developed in the State of Minnesota; or (c) any of the offering or sales activity relating to the Development Agreement occurred in the State of Minnesota.

2. The following is added as a new paragraph to the end of Section V, under the heading “DEFAULT” of the Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

3. The following is added to the end of Section VI.C(5) under the heading “TRANSFERABILITY” of the Development Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. The following paragraphs are added to Section XII, under the heading “DISPUTE RESOLUTION” of the Development Agreement:

~~In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for AFC Franchising, LLC, for use in the State of Minnesota shall be amended to include the following:~~

You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

• Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the **franchisee's/developer's** rights as provided for in Minnesota Statutes, Chapter 80C or

(2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

- ~~With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.~~

5. The following is added to the end of Section XII.E., under the heading "DISPUTE RESOLUTION" of the Development Agreement:

- ~~The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).~~

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

- ~~Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.~~
- ~~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.~~

6.

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

- ~~The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.~~

{Signatures on following page.}

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

~~FRANCHISEE~~DEVELOPER:

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

[Name]

By: _____
Name: _____
Title: _____
Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

RIDER TO THE AFC FRANCHISING, LLC

AREA DEVELOPMENT AGREEMENT
New York Area Development Agreement Amendment
FOR USE IN NORTH DAKOTA

THIS RIDER (this “Rider”) is made and entered into by and between AFC Franchising, LLC, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“we,” or “us”), and

a(n) _____ whose principal business address is _____ (“you” or “Developer”).

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached AFC Franchising, LLC Area Development Agreement (the “Agreement”) agree as follows:

1. BACKGROUND. We and you are parties to that certain Development Agreement dated 20 _____ (the “Development Agreement”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are a resident of the State of North Dakota and the development area is located or operated in the State of North Dakota; and/or (b) the offer for sale of the development rights was made or accepted in the State of North Dakota.

2. 1. The following is added to the end of Section VI of the Agreement, C(5) under the heading of “Transferability,” incorporates Section 12 of the Franchise “TRANSFERABILITY” of the Development Agreement by reference:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law

3. The following language is added to the end of the first paragraph of Section XII.A under the heading “DISPUTE RESOLUTION” of the Development Agreement:

2. Section 12.1, under the heading “Transfer,” is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:
; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

~~You understand and acknowledge that the rights and duties this Agreement creates are personal to you and that we have granted you the Franchise in reliance upon our perceptions of your individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Franchised Business (or any right to receive all or a portion of the Franchised Business’s profits or losses or capital appreciation related to the Franchised Business); (iii) your lease; (iv) substantially all of the assets of the Franchised Business; (v) any ownership interest in you (regardless of its size); or (vi) any ownership interest in any of your owners. A transfer of the Franchised Business’s ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. However, no assignment will be made except to an assignee who, in good faith~~

and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

3. Section 12.3 (i) of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

"(i) You sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;"

4. Section XIV of the Agreement, under the heading "Arbitration," the following paragraph shall be added at the end thereof as XIV.C.:

"C. Notwithstanding anything to the contrary, this Section XIV shall not bar you or we from seeking judicial or injunctive relief for claims that are based solely on demands for money owed, or from seeking injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without limitation; claims involving the Marks."

5. Section XIV of the Agreement, under the heading "Arbitration," incorporates Section 17 of the Franchise Agreement by reference and provides that any disputes between us shall be determined by binding arbitration to be held in Jefferson County, Alabama. This provision may not be enforceable under New York General Business Law.

6. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if franchisee is domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed:

AFC FRANCHISING, LLC, an Alabama
limited liability company

FRANCHISEE

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

By: _____

Title: _____

Dated: _____

[Name]

By: _____

Title: _____

Dated: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

{Signature}

{Print Name}

{Signature}

{Print Name}

Rhode Island Area Development Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached AFC Franchising, LLC Area Development Agreement (the "Agreement") agree as follows:

4. ~~1. The following is added to the end of~~ Section ~~XIV~~XVI ~~of the Agreement, under the heading "Enforcement," shall be amended by the addition of the following~~**DISPUTE RESOLUTION** ~~of the Development Agreement:~~

Except to the extent required by North Dakota law, the laws of the State of Alabama will apply.

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

5. The following is added to the end of Section XII.A under the heading "**DISPUTE RESOLUTION**" of the Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

6. To the extent required by the North Dakota Franchise Investment Law, Section XII.B under the heading "**DISPUTE RESOLUTION**" of the Development Agreement are deleted. Otherwise, the following is added to the end of Section XII.E:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

2. ~~This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.~~

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

{Signatures on following page.}
(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this ~~Rhode Island~~North Dakota amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

~~FRANCHISEE~~DEVELOPER:

~~(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):~~

[Name]

By: _____
Name: _____
Title: _____
Dated: _____

~~(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):~~

{Signature}

{Print Name}

{Signature}

{Print Name}

Virginia Area Development Agreement Amendment

**RIDER TO THE AFC FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS
FOR USE IN WASHINGTON**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the parties to the attached AFC Franchising, LLC Area Development Agreement agree as follows:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel an area development agreement without reasonable cause. If any grounds for default or termination stated in the Area Development 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.

2. 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 developer to surrender any right given to him under the area development agreement. If any provision of the Area Development Agreement involves the use of undue influence by the franchisor to induce a developer to surrender any rights given to him under the franchise, that provision may not be enforceable.

This Addendum shall be effective only to the extent that the jurisdictional requirements of the Act are met independently with respect to such provision, without reference to this amendment.

THIS RIDER (this “**Rider**”) is made and entered into by and between **AFC Franchising, LLC**, an Alabama limited liability company whose address is 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**” or “**us**”), and

a(n) _____ whose principal business address is _____ (“**you**” or “**Developer**”).

BACKGROUND. We and you are parties to that certain Development Agreement dated _____, 20____ (the “**Development Agreement**”). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

{Signatures on following page.}

~~IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed:~~

~~AFC FRANCHISING, LLC, an Alabama limited liability company~~

~~By: _____~~

~~Title: _____~~

~~Dated: _____~~

DEVELOPER

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

[Name]

By: _____

Title: _____

Dated: _____

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

[Signature]

[Print Name]

[Signature]

[Print Name]

Washington Area Development Agreement Amendment

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached AFC Franchising, LLC Area Development Agreement agree as follows:

2. ~~The state of Washington has a statute, Franchisee Bill of Rights, RCW 19.100.180, which may supersede the area development provisions in the franchise agreement in or related agreements concerning your relationship with us the franchisor, including in the areas of termination and renewal of your area development agreement franchise. There may also be court decisions which may that supersede the area development franchise agreement in or related agreements concerning your relationship with us including the areas of termination and renewal of your area development agreement the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.~~

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving ~~an area development agreement 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 ~~mediation, or as determined by the arbitrator or~~ mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights ~~executed by you may 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 rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. ~~-, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).~~

5. Statute of Limitations and Waiver of Jury Trial. Provisions ~~such as those which 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 ~~our the~~ franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages under RCW 19.100 may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflicts with these limitations are void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to

regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchisee Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

AFC FRANCHISING, LLC, an Alabama
limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

~~FRANCHISEE~~ DEVELOPER:

~~(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):~~

[Name]

By: _____
Name: _____
Title: _____
Dated: _____

~~(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):~~

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT O
STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Exempt
~~Florida~~ Hawaii	~~May 23, 2023~~ Pending
Illinois	Exemption Pending
Indiana	Exempt
Maryland	Exemption Pending
Michigan	~~May 28~~ April 25, 2023 2025
Minnesota	Pending
New York	Exemption Pending
North Dakota	Exemption Pending
Rhode Island	Exemption Pending
~~Utah~~ South Dakota	~~July 1, 2023~~ Pending
Virginia	Exemption Pending
Washington	Exemption Pending
Wisconsin	~~March 13, 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.

EXHIBIT PJ
RECEIPTS

RECEIPT (OUR COPY)
ITEM 23 • RECEIPTS
(To be retained by Franchisee)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain **English language**. Read this disclosure document and all agreements carefully.

If AFC Franchising, LLC, offers you a franchise, it must provide this disclosure document to you:

- (a) ~~14~~ 14 calendar days before you sign a binding agreement with, or make a payment to, ~~us~~ AFC Franchising, LLC or an affiliate in connection with the proposed franchise sale, or
- (b) ~~sooner~~ Under New York and Rhode Island law, if applicable, if required by applicable state law, Under Iowa law, AFC Franchising, LLC must give you this disclosure document at the earlier of (i) your first personal meeting ~~to discuss the distributorship, or~~ (ii) ~~10 business~~ 14 calendar days before you sign ~~a binding~~ agreement with, or make a payment to ~~us for an~~ AFC Franchising, LLC or its affiliate in connection with the proposed franchise sale, ~~or~~
- (c) Under Michigan law, AFC Franchising, LLC must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.~~x~~

~~If AFC Franchising, 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, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit D.~~

~~Issuance date: March 1, 2024~~

The franchise ~~or~~ sellers are Randy Johansen, our President, and Paige Robinson, our Vice President of AFC Franchising Development at, LLC, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902. ~~Any additional individual~~ The franchise sellers ~~involved in for this~~ offering ~~the franchise are~~ is:

Jeremy Morgan

AFC Franchising, LLC

3700 Cahaba Beach Road,

Birmingham, Alabama 35242

(205) 403-8902

AFC Franchising, LLC

3700 Cahaba Beach Road,

Birmingham, Alabama 35242

(205) 403-8902

~~I received a Disclosure Document dated March 1, 2024 (the effective date in certain states is listed on the State Effective Date page) that included the following Exhibits:~~

Issuance date: April 25, 2025

See Exhibit E for AFC Franchising, LLC's registered agents authorized to receive service of process. I have received a disclosure document dated April 25, 2025, that included the following Exhibits:

A <u>Form of</u> Franchise Agreement	F <u>Financial Statements</u>
~~A-1~~ B <u>Form of</u> Area Development Agreement	~~I~~ G <u>Table of Contents for Manual</u>
B <u>Management Agreement</u>	J <u>State-Specific Disclosures</u>
C <u>Form of</u> Conversion Addendum	K <u>State-Specific Franchise Agreement Amendments</u>
D <u>List of State Administrators</u>	~~L~~ <u>State-Specific Area Development Agreement Amendments</u>
<u>and E</u> <u>Agents for Service of Process</u>	~~M~~ <u>Amendment to Waive Management Agreement</u>
~~FE~~ <u>List of Franchisees (Current Franchisees and Franchisees Who Have Left the System or Not Communicated with Franchisor)</u>	N <u>H Sample</u> General Release
F-1 <u>List of Franchisees that have Agreements Signed by</u>	~~O~~ <u>I</u> <u>State Effective Dates Addenda and Agreement Riders</u>

- are Not Opened
- G List of Former Franchisees
- H Financial Statements

P—Receipts (2 copies) J Receipts

If an individual:

Date Received Prospective Franchisee:

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e

	_____ Name (please print) Address: _____ _____

If a business entity:

Name of Business Entity

Signature: _____

Title: _____

Print Name: _____

Dated: _____

(Do not leave blank)

Print Name: _____

Dated: _____

(Do not leave blank)

Please return a completed and signed copy of this Receipt by mail or email to AFC Franchising, LLC 3700 Cahaba Beach Road, Birmingham, Alabama 35242, Email: afclegal@americanfamilycare.com

ITEM 23 • RECEIPTS
(Return to Franchisor)

RECEIPT (YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain ~~English~~language. Read this disclosure document and all agreements carefully.

If AFC Franchising, LLC, offers you a franchise, it must provide this disclosure document to you:

- ~~(a)–~~ 14 calendar days before you sign a binding agreement with, or make a payment to, ~~us~~AFC Franchising, LLC or an affiliate in connection with the proposed franchise sale, or
- ~~(b)–~~ sooner ~~Under New York and Rhode Island law, if applicable, if required by applicable state law.~~ Under Iowa law, AFC Franchising, LLC must give you this disclosure document at the earlier of ~~(i)~~ your first personal meeting ~~to discuss the distributorship, or (ii) 10 business~~or 14 calendar days before you sign ~~a binding~~a agreement with, or make a payment to ~~us for an~~AFC Franchising, LLC or its affiliate in connection with the proposed franchise sale, ~~or~~
- ~~(c)–~~ Under Michigan ~~requires that we~~law, AFC Franchising, LLC must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

~~If AFC Franchising, 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, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit D:~~

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The franchise~~or~~ sellers are Randy Johansen, our President, and Page Robinson, our Vice President of AFC Franchising Development at, LLC, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902. ~~Any additional individual~~ The franchise sellers ~~involved in~~for this offering ~~the franchise are~~is:

Jeremy Morgan

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3700 Cahaba Beach Road,

Birmingham, Alabama 35242

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~~A-1~~B Form of Area Development Agreement

~~B~~ Management Agreement

C Form of Conversion Addendum

D List of State Administrators

and E Agents for Service of Process

~~F~~E List of Franchisees (Current Franchisees and Franchisees Who Have Left the System or Not Communicated with Franchisor)

~~F-1~~ List of Franchisees that have Agreements
—Signed but are Not Opened

G List of Former Franchisees

F Financial Statements

~~I~~G Table of Contents for Manual

~~J~~ State-Specific Disclosures

~~K~~ State-Specific Franchise Agreement Amendment

~~L~~ State-Specific Area Development Agreement
Amendments

~~M~~ Amendment to Waive Management Agreement

~~N~~ H Sample General Release

~~O~~ I State ~~Effective Dates~~Addenda and Agreement Riders

~~P—~~Receipts (2 copies)J Receipts

H Financial Statements

~~Date Received~~Prospective Franchisee:

~~Prospective Franchisee~~If an individual:

<u>If a business entity:</u> <u>Name of Business Entity</u> <u>Signature:</u> <u>Title:</u> <u>Print Name:</u> <u>Dated:</u> <u>(Do not leave blank)</u>	<u>Name (please print)</u> <u>Address</u> <u>Print Name:</u> <u>Dated:</u> <u>(Do not leave blank)</u>