

	Provision	Section in Franchise Agreement	Summary
o.	Our option to purchase your business	Section 15.5	For 15 days after the Franchise Agreement terminates or expires, we can purchase any or all of the inventory, supplies, Operating Assets, and other assets used in the operation of your VC Business that we do not already own and that we designate for the fair market value of the assets, less any amounts then owing to us. If you or one of your affiliates owns the Center site or another premises used in the operation of the VC Business, we may elect to include a fee simple interest in the site as part of the assets to be purchased by us or, at our option, lease the site from you or that affiliate by, at our option, assuming your existing lease with your affiliate (if any) or entering into a lease for an initial five-year term with one five-year renewal term (at our option) on commercially reasonable terms. If you lease the Center site or a premises used in the operation of the VC Business from an unaffiliated lessor, you will, at our option, assign the Lease to us or enter into a sublease for the balance of the Lease term on the same terms as the Lease. We will not, however, have the right to acquire any assets used in any Fenced-off Pharmacy. If we do not exercise our option to acquire any of the applicable assets, leases, or real property used in the operation of the VC Business, you must de-identify the Center as required by the Franchise Agreement and comply with Section 12.3 of the Franchise Agreement (Covenants Regarding Disposition of Assets).
p.	Death or disability of franchisee	Section 13.7	Executor or representative must apply for our consent to transfer the person's interest within three months after the event (and notice has been provided to third parties such as licensing agencies or payors as required).
q.	Non-competition covenants during the term	Sections 12.1, 12.3	<del>You</del> <u>Subject to state law, you</u> and your Owners may not: (1) own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (a) any business that provides the Therapies or health care products or services similar to, or the same as, the VC Offerings, or (b) any entity that grants franchises or licenses for any of these types of businesses (a " <b>Competitive Business</b> ") in the United States; (2) directly or indirectly divert or attempt to divert any actual or potential business, Patient, or Referral Source of the VC Business to any Competitive Business; (3) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (4) use any vendor relationship established through your association with us for any purpose other than to purchase products or equipment for use or retail sale in the VC Business. A "Competitive Business" does not include a pharmacy or healthcare-related business that does not offer the Therapies or an inpatient (i.e., overnight) care facility. <u>(subject to state law)</u>
r.	Non-competition covenants after the	Sections 12.2, 12.3	<del>For</del> <u>Subject to state law, for</u> two years after the expiration or termination of your Franchise Agreement or an approved

	Provision	Section in Franchise Agreement	Summary
	Franchise Agreement is terminated or expires		<p>transfer to a new franchisee (and with respect to the Owners, for two years from the expiration, termination, or transfer of the Franchise Agreement or from the termination of the Owner's relationship with you, whichever occurs first), you and your Owners may not, without our prior written consent, directly or indirectly: (1) engage in any of the activities described in subsections (1) or (2) of Paragraph (q) above within the Territory or within 10 miles of the border of the Territory; (2) provide any of the VC Offerings to or at the address of any locations where you provided the VC Offerings to Patients in the 12 months prior to the expiration or termination of the Franchise Agreement (or a Transfer or, for any Owner, the termination of the Owner's relationship with you); or (3) engage in any of the activities described in subsections (3) or (4) of Paragraph (q) above anywhere in the United States. <a href="#">(subject to state law)</a></p> <p>In addition, <a href="#">subject to state law</a>, for the two years following expiration or termination, you and your Owners may not, without our prior written consent, either directly or indirectly, sell, assign, lease, gift, or transfer (a) any Ownership Interest in your Entity, (b) any site for a Center, or (c) any inventory, supplies, Operating Assets, and other assets located at a Center or used in the operation of the VC Business (collectively, "<b>Restricted Assets and Equity</b>") to any person or Entity that you know or suspect, or should reasonably know or suspect, operates or intends to operate a Competitive Business. We will not restrict the sale or disposition of Restricted Assets and Equity to another Vital Care® franchisee, as long as that existing franchisee (i) agrees to use such Restricted Assets and Equity solely to operate a VC Business, and (ii) meets the qualifications specified in Section 13.4(g) of the Franchise Agreement (Conditions on Transfers). <a href="#">(subject to state law)</a></p>
s.	Modification of the agreement	Section 17.2	Except for modifications to the Manuals, no modifications unless agreed to in writing by both parties.
t.	Integration/merger clause	Section 17.1	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises made outside of this Disclosure Document and the Franchise Agreement may not be enforceable.

1. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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

2. Exhibit L (Franchisee Compliance Questionnaire and Certification) to the Franchise Disclosure Document is hereby deleted in its entirety.

## **ILLINOIS**

1. The following language is added as the last paragraphs of Items 5 and 7 of the Franchise Disclosure Document:

We are required to defer all initial fees and payments owed by you under the Franchise Agreement until we have satisfied our pre-opening obligations to you and you have commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

## **MARYLAND**

1. The following language is added as the last paragraphs of Items 5 and 7 of the Franchise Disclosure Document:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

~~4.2.~~ The following is added at the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

~~2.3.~~ The following is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults:

The Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11

U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

~~3-4.~~ The following sentence is added to the end of the “Summary” section of Item 17(v), entitled “Choice of forum”:

The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise 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.

~~4-5.~~ The “Summary” section of Item 17(w) in the Franchise Agreement chart in the Franchise Disclosure Document, captioned “Choice of law,” is amended to read as follows:

Except for federal law and claims arising under the Maryland Franchise Registration and Disclosure Law, Tennessee law applies.

~~5-6.~~ The following paragraphs are added to the end of Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

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

Do not sign the Franchisee Compliance Questionnaire and Certification that is attached as Exhibit L to the Franchise Disclosure Document.

## **MINNESOTA**

~~4-1.~~ **THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

~~2-2.~~ **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO**

REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

~~3-3.~~ The following is added to the “Special Risks to Consider About *This Franchise*” sheet:

**Unopened Franchises.** The franchisor has signed some franchise agreements with franchisees who have not yet opened their outlets, largely due to governmental delays in granting applicable licenses. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your outlet.

~~4-4.~~ The following is added to the “Special Risk to Consider About *This Franchise*” sheet:

**Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, suppliers that the franchisor designates, or suppliers of your choosing that provide goods and services in accordance with our specifications. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

5. **Initial Fees.** The following language is added to the end of Items 5 and 7:

Based upon our financial condition, the State of Minnesota has required a financial assurance. Therefore, all initial fees owed by franchisees will be deferred until we complete our pre-opening obligations under the Franchise Agreement and your VC Business has opened.

~~5-6.~~ **Liquidated Damages.** The “Liquidated Damages” section in Item 6 (including Note 6) in the Franchise Disclosure Document is amended by adding the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to consent to liquidated damages.

~~6.7.~~ **Trademarks.** The following sentence is added to the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks, and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

**7-8. Renewal, Termination, Transfer, Dispute Resolution, Releases and Acknowledgements.** The following paragraphs are added at the end of the chart in Item 17 of this Disclosure Document:

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) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement. In addition, consent to a transfer of your franchise will not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of Minnesota. In addition, a court will determine whether a bond is required.

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.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

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

## **NORTH DAKOTA**

1. The following language is added to the end of Items 5 and 7:

Based upon our financial condition, the State of North Dakota has required a financial assurance. Therefore, all initial franchise fees will be deferred until our initial obligations owed to you under the Franchise Agreement or other documents have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement.

## **RHODE ISLAND**

1. The “Summary” section of Item 17(v) of the Franchise Disclosure Document is amended to read as follows:

Subject to arbitration requirements, litigation generally must be in courts closest to where we have our principal business address when the action is commenced (currently Brentwood, Tennessee), except that, to the extent required by applicable law, but subject to your arbitration obligations, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w) of the Franchise Disclosure Document is deleted in its entirety and replaced with the following:

Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Tennessee law applies.

## **SOUTH DAKOTA**

1. The following language is added to the end of Items 5 and 7:

Based upon our financial condition, the State of South Dakota has required a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until we complete our pre-opening obligations under the Franchise Agreement and your VC Business has opened. You must pay us the initial fees and payments on the day you open your VC Business.

## **VIRGINIA**

1. The following is added to the “Special Risks to Consider About *This Franchise*” sheet:

**RIDER TO THE  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

THIS RIDER (this "Rider") is made and entered into by and between VITAL CARE FRANCHISOR LLC, a Delaware limited liability company with its principal place of business at 12 Cadillac Drive, Unit 230, Brentwood, Tennessee 37027 ("Franchisor"), and the person or entity identified on Appendix A as the franchisee ("Franchisee") with its principal place of business as set forth on Appendix A. In this Rider, "we," "us," and "our" refer to Franchisor. "You" and "your" refer to Franchisee.

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Illinois, (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois, and/or (c) the VC Business that you will operate under the Franchise Agreement will be located in Illinois.

2. **FEES.** The following is added to the end of Section 3.1 (Franchise Fee) of the Franchise Agreement:

We are required to defer all initial fees and payments owed by you under the Franchise Agreement until we have satisfied our pre-opening obligations to you and you have commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

<u>FRANCHISOR</u>	<u>FRANCHISEE</u>
<u>VITAL CARE FRANCHISOR LLC</u>	_____
	<u>[Entity Name]</u>
<u>By:</u> _____	<u>By:</u> _____
<u>Name:</u> _____	<u>Name:</u> _____
<u>Title:</u> _____	<u>Title:</u> _____
<u>Date:</u> _____	<u>Date:</u> _____

**RIDER TO THE  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **VITAL CARE FRANCHISOR LLC**, a Delaware limited liability company with its principal place of business at 12 Cadillac Drive, Unit 230, Brentwood, Tennessee 37027 (“**Franchisor**”), and the person or entity identified on Appendix A as the franchisee (“**Franchisee**”) with its principal place of business as set forth on Appendix A. In this Rider, “**we**,” “**us**,” and “**our**” refer to Franchisor. “**You**” and “**your**” refer to Franchisee.

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the VC Business that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **RELEASES.** The following is added to the end of Sections 2.2(f), 4.4(b), 4.6, 13.1, 13.4(c), and 15.5(d) 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 Minnesota Franchises Law.

3. **SUCCESSOR TERM AND TERMINATION AND DEFAULT.** The following is added to the end of Sections 2.2 and 14 of the Franchise 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.

4. **FEES.** The following section is added to the end of Section ~~3.12~~3.10 of the Franchise Agreement:

Based upon our financial condition, the State of Minnesota has required a financial assurance. Therefore, all initial fees owed by franchisees will be deferred until we complete our pre-opening obligations under the Franchise Agreement and your VC Business has opened.

5. **FEES.** The following section is added to the end of Section 3.12 of the Franchise Agreement:

Minn. Stat. 604.113 puts a cap of \$30 on late fees for NSF (non-sufficient funds) checks.

6. ~~5.~~ **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 9.1 of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

6-7. **LIQUIDATED DAMAGES.** The following language is added to the end of both Section 12.3(c) and Section 15.9 of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring you to consent to liquidated damages, termination penalties or judgment notes.

7-8. **NO TRANSFER WITHOUT OUR CONSENT.** The following language is added to Section 13.3 of the Franchise Agreement:

Notwithstanding the foregoing, our consent to a Transfer will not be unreasonably withheld.

8-9. **FORUM FOR LITIGATION.** The following language is added to the end of Section 16.3 of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce (1) any of your rights under Minnesota Statutes Chapter 80C or (2) your rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

9-10. **GOVERNING LAW.** The following statement is added at the end of Section 16.4 of the Franchise Agreement:

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.

~~40.~~11.      **MUTUAL WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES.**

If and then only to the extent required by the Minnesota Franchises Law, Sections 16.5 and 16.6 of the Franchise Agreement are deleted.

~~41.~~12.      **LIMITATIONS OF CLAIMS.** The following is added to the end of

Section 16.8 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.

~~42.~~13.      **INJUNCTIVE RELIEF.** The following is added to the end of

Section 16.10 of the Franchise Agreement:

Minnesota Rule 2860.4400(J) prohibits us from requiring you to waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction; in addition, a court will determine if a bond is required.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

**FRANCHISOR**

**FRANCHISEE**

**VITAL CARE FRANCHISOR LLC**

\_\_\_\_\_

[Entity Name]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

THIS RIDER (this "Rider") is made and entered into by and between VITAL CARE FRANCHISOR LLC, a Delaware limited liability company with its principal place of business at 12 Cadillac Drive, Unit 230, Brentwood, Tennessee 37027 ("Franchisor"), and the person or entity identified on Appendix A as the franchisee ("Franchisee") with its principal place of business as set forth on Appendix A. In this Rider, "we," "us," and "our" refer to Franchisor. "You" and "your" refer to Franchisee.

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the "**Franchise Agreement**"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the VC Business will be located or operated in North Dakota and/or any of the franchise offer or sales activity occurred in North Dakota.

2. **FEES.** The following is added to the end of Section 3.1 of the Franchise Agreement:

Based upon our financial condition, the State of North Dakota has required a financial assurance. Therefore, all initial franchise fees will be deferred until our initial obligations owed to you under the Franchise Agreement or other documents have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider, to be effective as of the date set forth next to our signature below.

**FRANCHISOR**

**FRANCHISEE**

**VITAL CARE FRANCHISOR LLC**

\_\_\_\_\_  
[Entity Name]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_