FRANCHISE DISCLOSURE DOCUMENT



AFC Franchising, JL Department of An Alabama limited liability company 3700 Cahaba Beach Road Birmingham, Alabama 35242 (205) 403-8902 www.americanfamilycare.com www.afcfranchising.com

FEB 28 2018

The franchisee will operate an urgent and accessible primary care management business that will establish and manage an urgent care center that, through independent physicians and professionally licensed persons or entities, provides various levels of 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.

The total initial investment necessary to begin operation of a franchised business (in which you are not converting an existing urgent care business), ranges from \$829,500 - \$1,254,500. This includes \$190,000 - \$210,000 that must be paid to the franchisor or affiliate. If you are converting an existing urgent care facility to be an "American Family Care" center that you will manage, the total initial investment necessary to begin operation of a franchised business ranges from \$125,750 - \$461,750. This includes \$41,250 that must be paid to the franchiser 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 initial franchise fee for subsequent franchises under the Area Development Agreement is \$45,000.

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, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental 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 Jamie Gentile, 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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <u>www.ftc.gov</u> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issued: February 27, 2018

Non-registration States



STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrators listed in Exhibit D for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- *1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN ALABAMA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN ALABAMA THAN IN YOUR HOME STATE.
- *2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT ALABAMA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- AS OF NOVEMBER 2017, MORE THAN HALF OF FRANCHISOR'S TOTAL ASSETS 3. CONSISTED OF INTANGIBLES AND GOODWILL.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. 4.
- Local law may supersede these provisions in the franchise agreement and area development agreement.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchises. A franchise broker ör referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should do your own investigation of this franchise.

Certain states require franchisors to make additional disclosures related to the information contained in this disclosure document. Such additional disclosures are included by Addendum to this disclosure document.

Effective Date: See the next page for state effective dates.



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STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STÂTES	EFFECTIVE DATE	
California	Pending	
Illinois	Pending	
Indiana	July 21, 2017	
Maryland	Pending	
// Michigan	May 14, 2016	
Minnesota	Pending	
New York	Pending	
Rhode Island	Pending	
Utah	July 1, 2017	
Virginia	Pending	
Washington	Pending	
Wisconsin	Pending	

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