

## FRANCHISE DISCLOSURE DOCUMENT



This Franchise Disclosure Document (the "Disclosure Document") describes the franchise we offer to operate an urgent care management business for an urgent care clinic that employs board-certified emergency physicians to care for patients with acute, sudden illness or injuries that are not life-threatening, physical examinations and drug testing for team sports and athletic programs, employers and treatment of work-related injuries, and other services we specify. The total investment necessary to begin operation of a Winding Cross Urgent Care franchise is \$546,500 to \$700,000. This includes a non-refundable initial franchise fee of \$55,000.00 that must be paid to us.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make 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 Ron Golden at 5930 Frederick Crossing Lane, Frederick, Maryland 21704, via e-mail at rgolden@windingcross.com, or by phone at 240-379-7776.

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</u> <u>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.

The Issuance Date of this Disclosure Document is April 30, 2014



## **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 administrator listed in <u>Exhibit D</u> 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US ONLY BY LITIGATION IN THE JUDICIAL DISTRICT WHERE OUR HOME OFFICE IS LOCATED, WHICH IS CURRENTLY FREDERICK COUNTY, MARYLAND. OUT OF STATE DISPUTE RESOLUTION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN TENNESSEE OR OUR HOME STATE THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$546,500 TO \$700,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2013, WHICH IS (\$585).
- 4. YOUR STATE MAY HAVE REGULATORY OR STATUTORY LIMITATIONS OR PROHIBITIONS AFFECTING THE OWNERSHIP, OPERATION OR SCOPE OF PRACTICE OF YOUR CLINIC AND THE PAYMENT OF FEES TO US AS DESCRIBED IN THIS DISCLOSURE DOCUMENT. CHECK WITH YOUR COUNSEL ABOUT THESE LIMITATIONS AND PROHIBITIONS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.



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

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

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