

## FRANCHISE DISCLOSURE DOCUMENT



### Options For Senior America Franchising, LLC

6 Montgomery Village Avenue, Suite 330

Gaithersburg, MD 20879

301.562.1100

Franchise@OptionsCorp.com

[www.OptionsCorp.com/franchise](http://www.OptionsCorp.com/franchise)

As an OPTIONS FOR SENIOR AMERICA ® franchisee, you will provide in-home care services to families to care for one of their loved ones.

The initial investment necessary to begin operation of an OPTIONS FOR SENIOR AMERICA franchised business ranges from \$85,800 to \$110,400. This includes \$47,500 that must be paid to the franchisor or its affiliates as the standard franchise fee.

The initial investment necessary to begin operation of an OPTIONS FOR SENIOR AMERICA Area Development Agreement ranges from \$119,550 to \$144,150. This includes \$81,250 that must be paid to the franchisor or its affiliates as the standard franchise fee.

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, 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 to you. To discuss the availability of disclosures in different formats, contact Options For Senior America Franchising, LLC at Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, 301.562.1100, Franchise@OptionsCorp.com.

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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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.

Issuance Date: February 10, 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	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 Exhibit E.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Exhibit F includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Options For Senior America business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an Options For Senior America franchisee?</b>	Exhibit E list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 States 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 C.

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 risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Maryland. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Maryland than in your own state.
2. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

## Table of Contents

<b>ITEM 1:</b>	<b>THE FRANCHISOR, ANY PARENTS, PREDECESSOR AND AFFILIATES -----</b>	<b>7</b>
<b>ITEM 2:</b>	<b>BUSINESS EXPERIENCE -----</b>	<b>8</b>
<b>ITEM 3:</b>	<b>LITIGATION-----</b>	<b>9</b>
<b>ITEM 4:</b>	<b>BANKRUPTCY -----</b>	<b>9</b>
<b>ITEM 5:</b>	<b>INITIAL FEES -----</b>	<b>9</b>
<b>ITEM 6:</b>	<b>OTHER FEES -----</b>	<b>10</b>
<b>ITEM 7:</b>	<b>ESTIMATED INITIAL INVESTMENT -----</b>	<b>13</b>
<b>ITEM 8:</b>	<b>RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES -----</b>	<b>16</b>
<b>ITEM 9:</b>	<b>FRANCHISEE'S OBLIGATIONS -----</b>	<b>17</b>
<b>ITEM 10:</b>	<b>FINANCING -----</b>	<b>19</b>
<b>ITEM 11:</b>	<b>FRANCHISOR'S OBLIGATIONS-----</b>	<b>19</b>
<b>ITEM 12:</b>	<b>TERRITORY -----</b>	<b>25</b>
<b>ITEM 13:</b>	<b>TRADEMARKS, SERVICE MARKS, AND LOGOS -----</b>	<b>27</b>
<b>ITEM 14:</b>	<b>PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION -----</b>	<b>28</b>
<b>ITEM 15:</b>	<b>OBLIGATIONS TO PARTICIPATE IN THE OPERATION OF THE FRANCHISE BUSINESS 28</b>	
<b>ITEM 16:</b>	<b>RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL -----</b>	<b>29</b>
<b>ITEM 17:</b>	<b>RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION -----</b>	<b>29</b>
<b>ITEM 18:</b>	<b>PUBLIC FIGURES-----</b>	<b>34</b>

<b>ITEM 19:</b>	<b>FINANCIAL PERFORMANCE REPRESENTATIONS-----</b>	<b>34</b>
<b>ITEM 20:</b>	<b>OUTLETS AND FRANCHISEE INFORMATION -----</b>	<b>36</b>
<b>ITEM 21:</b>	<b>FINANCIAL STATEMENTS -----</b>	<b>38</b>
<b>ITEM 22:</b>	<b>CONTRACTS-----</b>	<b>38</b>
<b>ITEM 23:</b>	<b>RECEIPT -----</b>	<b>39</b>

EXHIBIT A:	Franchise Agreement
EXHIBIT B:	Area Development Agreement
EXHIBIT C:	Agencies & Agents For Service Of Process
EXHIBIT D:	Operations Manual Table of Contents
EXHIBIT E:	Franchised Outlets
EXHIBIT F:	Financial Statements
EXHIBIT G:	State Law Addendum
EXHIBIT H:	Application for Franchisee
EXHIBIT I:	Franchisee Acknowledgement Statement
	State Effective Dates
EXHIBIT J:	Receipts

## **ITEM 1: THE FRANCHISOR, ANY PARENTS, PREDECESSOR AND AFFILIATES**

The Franchisor is OPTIONS FOR SENIOR AMERICA FRANCHISING, a Limited Liability Company, doing business as OPTIONS FRANCHISING. For ease of reference, OPTIONS FRANCHISING will be referred to as "we", "us", "our", "Franchisor", or OPTIONS in this Disclosure Document. We will refer to the person or entity that buys the franchise as "you", "Franchisee" and "your" throughout the Disclosure Document and Franchise Agreement. This refers to the person, corporation, Limited Liability Company, partnership or other legal entity that is granted the franchise (as well as the direct and indirect owners of any corporation, limited liability Company, partnership, or other legal entity that becomes a franchisee). Additionally, any reference to "System" means the franchise system of OPTIONS.

OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC was incorporated on March 22, 2024, in Maryland. Our principal business address is 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879. We operate and sell franchises for in-home health care services for the senior population. We began offering franchises in 2015.

Franchisor has no predecessor companies and has no parent or affiliate companies. In addition to offering franchises, the Franchisors' shareholders have operated a home health care business of the type being offered in this offering circular since January 2, 1990.

### **The Franchise Offered**

The Franchise offered is for the right to establish and operate an Options For Senior America (a home health care business) under the distinctive format and System and Marks described below (collectively the Options For Senior America franchise). We will franchise and grant you the right to establish and operate an Options For Senior America franchise business within a Protected Market pursuant to the terms of our Franchise Agreement ("Franchise Agreement") in the manner we prescribe in the Franchise Agreement.

Our agents for service of process are disclosed in Exhibit C. Potential customers include the general public with focus on the senior population, elderly frail individuals with some sort of mental or physical debilitation requiring assistance in their activities of daily living, hospitals, rehab centers, assisted living facilities, case management firms, Visiting Nurses Associations, Hospice programs, Area Agencies on the Aging, County Department of Aging, etc.

We offer a Franchise Agreement for the operation of a single business in home health care services, and we currently do not offer franchises in any other line of business.

The Business is characterized by a distinctive logo, service method, set of policies and procedures, advertising programs, and other operations programs unique to OPTIONS. All these procedures and methods of operation make up the business (the "System") and may be changed, improved, or modified by OPTIONS at any time.

The Franchise System is identified by means of a registered trademark but is not limited to the trademark OPTIONS. We own the Trademark mark OPTIONS which is currently registered with the U. S. Patent and Trademark Office (the "Mark"). You must operate the Business in accordance with the standards and systems we designate and in accordance with the Franchise Agreement. We may also require that you conduct training courses in our procedures and methods of operation to enable your employees to properly display the OPTIONS image.

### **Market and Competition**

You will be competing in your market with locally owned businesses as well as national and regional chains that offer similar home care services and home health care services. The market for home care services and home health care services is well-established and highly competitive. Competitors may be other businesses, some of which are

franchised, which sell similar services, or even someone doing business out of his/her home. Competition competes on such factors as price, service, location, and quality. Principal factors that will vary but that will impact our brand's competitive position include name recognition, service quality, variety of service, area of coverage, advertising, and our business model, in general. A business like OPTIONS may also be affected by other factors, such as changes in consumer behavior, economic conditions, population, and travel patterns.

### **Laws and Government Regulation**

Please be advised that the conduct of any business, franchise or otherwise, subjects you to laws, and local regulations. You must investigate the existence of any laws which may apply to your business. You should consider what operations may be regulated by federal, state, and local laws, in addition to the laws, regulations, rules, and ordinances applicable to businesses generally. You are subject to all laws, and local regulations. You are responsible for investigating the existence of any laws which may apply to your business. You must observe all the rules and regulations that apply to an Options For Senior America Business in the state where your Business will be conducted.

Today, most states require licenses or otherwise regulate some aspect of home care businesses. Many states also require a Certificate of Need before establishing certain types of health care services, such as providing home care services. You are responsible for determining whether licensing or other regulations exist and if so, how you will comply with them. We will provide limited assistance to you in complying with regulations, but we strongly recommend that you consult with an attorney regarding federal, local and state laws, and rules and regulations that may affect the operation of your business. You must determine whether there are state and local laws that regulate the operation of an Options For Senior America business in your area. In particular, we recommend that you check your state and local laws and regulations regarding the provision of personal or home care services in your state. At all times, and after you become a franchise owner, you will be responsible for securing any and all regulatory licenses required in your jurisdiction. In the event that you are required to obtain a home care license to operate your business, and you do not secure such a license within 6 months from the date you sign a franchise agreement, the franchisor has the right to terminate your franchise agreement.

Furthermore, once the franchise obtains the required license(s), it remains the franchise's responsibility to remain knowledgeable of all changes in your jurisdiction's regulations so that the franchise will remain compliant with all requirements at all times.

In some states, individual caregivers must be licensed, depending on the type of services provided. At a minimum, your caregivers must be bonded, insured, and with one year of minimum relevant experience. You should also familiarize yourself with federal, state or local laws of a more general nature that may affect the operation of your Options For Senior America business. It will be your responsibility to comply with any laws affecting your business. You must abide by OPTIONS privacy policies set forth in the Operations Manual. To the extent applicable, you may also be required to comply with the federal Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") when using and disclosing information about Clients and Care Recipients.

There may be other state, local or federal regulations specific to the operation of an Options For Senior America business in your area.

### **ITEM 2: BUSINESS EXPERIENCE**

#### **Co-Chief Executive Officer: Radhik Patel**

Radhik Patel is the current Co-CEO of Options For Senior America Corp. in Gaithersburg, Maryland and is also Co-CEO of Options For Senior America Franchising, LLC. Prior to that, Radhik worked in real estate and healthcare private equity at firms: Blackstone, LLR Partners, NKP Capital, Priderock Capital Partners. Radhik Patel graduated from the Wharton Business School at the University of Pennsylvania.



Co-Chief Executive Officer: Alec Campbell

Alec Campbell is the current Co-CEO of Options For Senior America Corp. in Gaithersburg, Maryland and is also Co-CEO of Options For Senior America Franchising, LLC. Alec has over 25 years of business experience in digital marketing, operations, and business development. He worked as an executive at an education technology company, an executive in the call center industry, and has founded a digital marketing agency specializing in local search marketing. Alec Campbell graduated from the Wharton Business School at the University of Pennsylvania.

Senior Advisor: Ramzi Rihani

Ramzi Rihani was the former President and CEO of Options For Senior America Corp. in Gaithersburg, Maryland since 2006 until 2024 and was also CEO of Options For Senior America Franchising, LLC. Prior to that, he was Senior Director of the Group. Mr. Rihani possesses over 33 years of home care experience and is a co-founder of the corporation established in 1990.

Senior Advisor: Sam Rihani

Sam Rihani was the former COO of Options for Senior America Corp. in Gaithersburg, Maryland from 2009 until 2024 and was also COO of Options For Senior America Franchising, LLC. Prior to that, he was Managing Director of the Group. Mr. Rihani has over 22 years of experience in the home care field and is a co-founder of the corporation.

Corporate Office Manager: Carole Schaffer

Carole Schaffer joined the group in October 2011 and is currently responsible for managing the financial outlook of the corporation. She is also the main liaison for franchise owners overseeing the franchise financial obligations to the franchisor. Prior to joining the group, Ms. Schaffer spent over 20 years managing accounting functions and analyzing financial reporting.

**ITEM 3: LITIGATION**

There is no litigation that is required to be disclosed in this disclosure document.

**ITEM 4: BANKRUPTCY**

There is no bankruptcy information that is required to be disclosed in this disclosure document.

**ITEM 5: INITIAL FEES**

**Initial Franchise Fee**

You are required to pay a one-time non-refundable initial franchise fee when you sign the Franchise Agreement, in the amount of \$47,500 to OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC. This fee is for a standard territory with a general population not exceeding 400,000 and a guaranteed senior population (age 65 plus) of 30,000 to 35,000. Qualified candidates that are permitted to purchase additional single units will be required to sign a separate franchise agreement for each franchise they purchase. Purchasers of multiple standard units will pay the following initial franchise fees: \$47,500 for the first single unit purchase; \$37,500 for the second unit purchased; and \$30,000 for the third unit purchased as well as any thereafter. This discount cannot be combined with other discounts on the initial franchise fee. Larger territories are available at a premium rate as explained in the following paragraph and in Item 12 of this FDD. Each franchise is operated according to a separate Franchise Agreement, and this fee must be paid to Options Franchising, LLC in a lump sum upon the signing of each Franchise Agreement. The franchise fee is for franchise rights to a territory ("Territory") which will be described in the Franchise Agreement. The initial franchise fee is deemed to be fully earned by us when you sign the Franchise Agreement, and it is not refunded under any circumstances. We use the proceeds from your payment of the initial franchise fee to defray our costs and expenses prior to and after execution of the Franchise Agreement, including

providing training and assistance to you before opening. There is a three-calendar day right of rescission period allowed to you in which you may terminate the Agreement with a refund, less expenses incurred by us. These expenses shall be considered as equal to thirty percent (30%) of the total initial franchise fee you are being charged for the franchise Territory.

For this initial franchise fee, you receive an exclusive franchise Territory. The franchise area depends on the population in the county/counties defining the franchise. Your franchise area will include as many zip codes as necessary to encompass a total population as described above (according to the US Census Bureau, the average number of seniors in the United States in 2021, as a percentage of the total population, was 16.5%, and in 2023 it rose to 17.3%. This percentage figure is expected to further increase in the future). However, the Franchisor reserves the right to delineate any area it so chooses as a franchised territory. The specific territory name and its geographic location/boundaries will be communicated to you in writing; as well as in your Franchise Agreement for your review prior to signature. In appropriate circumstances, we may sell a Territory with a population of as few as 250,000 for the full initial franchise fee provided such territory would encompass the guaranteed number of seniors mentioned above. If by mutual agreement your proposed Territory contains more than 35,000 seniors, then the initial franchise fee will be increased accordingly and clearly stated in your Franchise Agreement. We reserve the right to adjust the calculation of the population of a Territory based on other demographic features of a particular area, but Territories are not adjusted after you sign the Franchise Agreement. See Item 12 for more information about Territories.

### **Development Fee**

If you enter in a Area Development Agreement, You are required to pay a one-time non-refundable Development fee when you sign the Area Development Agreement, in the amount of \$81,250 to OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC. The Area Development Fee includes a full initial franchise fee of \$47,500 for the first Options For Senior America Franchised Business, a partial payment of \$18,750 for the second Options For Senior America Franchised Business and a partial payment of \$15,000 for the third Options For Senior America Franchised Business, which will be credited towards the initial franchise fees payable upon execution of the second and third Options For Senior America Franchised Businesses. Should the development obligation exceed 3 or more Options For Senior America Franchised Businesses, the Area Development Fee shall be increased by \$7,500, which increase shall be credited towards the initial franchise fee of \$15,000 for each such additional Options For Senior America Franchised Business.

Under an Area Development Agreement, you must develop a minimum of three (3) Options For Senior America Franchised Businesses. There is no maximum number of additional Options For Senior America Franchised Businesses that you may develop under an Area Development Agreement. The total Development Fee is based on the number of additional franchises you purchase. The Area Development Fee is uniformly charged for all Area Development Agreements currently being offered. The Development Fee is considered fully earned and non-refundable upon payment.

### **ITEM 6: OTHER FEES**

<b><u>Type of Fee</u></b>	<b><u>Amount</u></b>	<b><u>Due Date</u></b>	<b><u>Remarks</u></b>
Royalty Fee	5.00% of Gross Sales (See Note 1 for minimums)	By the 15 <sup>th</sup> of each month	Paid to Options Franchising via Electronic Funds Transfer <sup>(1)</sup>
Marketing Fee	1.5% of Gross Sales (Minimum \$300)	By the 15 <sup>th</sup> of each month	Paid to Options Franchising via Electronic Funds Transfer <sup>(2)</sup>

Technology Fee	\$405	By the 15 <sup>th</sup> of each month	Paid to Options Franchising via Electronic Funds Transfer <sup>(3)</sup>
Initial Training Fee (First 2 Attendees)	\$0	N/A	----
Initial Training Fee for Additional Attendees	\$750	Prior to Training	Paid to Options Franchising via Electronic Funds Transfer <sup>(4)</sup>
Attending Annual Franchise Owner Meeting	\$0 (for up to 2 staff members of franchise)	N/A	You pay for travel and lodging. Additional attendees will be charged \$200/person.
Transfer Fee	\$7,500	At the time transferee executes the Franchise Agreement in effect for the transfer or sale of existing unit subject to Franchisor's right of first refusal	Paid to Options Franchising via Electronic Funds Transfer. Paid by you when you transfer ownership of your franchise. <sup>(5)</sup>
Training of Transferee	\$2,500	When Invoiced	Paid by transferee to Options Franchising via Electronic Funds Transfer
Renewal Fee for 2 <sup>nd</sup> and subsequent renewal terms of your Franchise Agreement	\$5,000	When Invoiced	Paid to Options Franchising via Electronic Funds Transfer when you sign the then- current Franchise Agreement
Operating Assistance, if requested by you, or required by us	Travel expenses (if assistance is provided at your premises) plus \$400 per day	Within one week after the time additional assistance is delivered	Paid to Options Franchising via Electronic Funds Transfer <sup>(6)</sup>
Audit Expenses due to understatement of monthly gross sales by 5% or more	Travel expenses (if assistance is provided at your premises) plus \$100 per hour	Upon completion of audit	Paid to Options Franchising via Electronic Funds Transfer <sup>(7)</sup>
Indemnification	Varies depending on circumstances	As Incurred	Paid to Options Franchising if we are held liable for claims arising from your operation

**Footnotes:**

- (1) You must pay us a Royalty fee equal to: 5.00% on your monthly gross sales. "Gross Sales" is defined as all Revenues of every kind and nature made at or from the PREMISES less applicable client refunds. The monthly Royalty fee will be calculated at the percentage rates above or at a minimum amount as listed below, whichever is greater:

<u>Year</u>	<u>Min. Monthly Royalty</u>
1	\$500
2	\$700
3	\$1,200
4	\$1,500
5	\$1,800
6+	\$2,100

A report of total sales will be generated by our accounting department and communicated to you, or generated by you and communicated to our accounting department, no later than the 7<sup>th</sup> of each month reporting the total gross revenues of the previous month thus enabling us to debit your bank account through an Electronic/ACH Fund Transfer with the amount of the applicable royalty fee by the 15<sup>th</sup> of the month. If the 7<sup>th</sup> of the month falls on a holiday or a weekend, then the report will be due on the following business day. Similarly, if the 15<sup>th</sup> of the month falls on a holiday or a weekend, then the electronic fund transfer will occur on the following business day.

- (2) You must pay us a Marketing Fee equal to 1.5% (one- and one- half percent) of the monthly Gross Sales generated by your Options For Senior America franchise, or \$300 per month, whichever is greater. "Gross Sales" is defined as in the above Note for Royalty Fee. Such a fee will be debited to your bank account through an Electronic/ACH Fund Transfer on the 15<sup>th</sup> of each month. Franchisor has the right to require that it approves all advertising material prior to its use by the Franchisee.
- (3) This is a monthly fee of \$405, which includes four Options domain email addresses hosted on Microsoft Exchange and four licenses to Microsoft 365 Business Basic plan. The Technology fee includes on-going IT support and the use of **QuickBooks** which integrates with our required homecare agency management system, AxisCare. This fee is independent of your gross sales.

The above three ongoing fees (Royalties, Marketing, and Technology Fee) may be waived for the first two months from the date of completing the 5-day Initial Training. Alternatively, the franchisee may choose to be charged royalties for these first two months and receive \$3,000 in cash (\$1,500/month for these first two months) from the franchisor.

- (4) Training provided as outlined under the Franchise Agreement, including the initial 5-day training (up to two franchisee representatives) and periodic training scheduled by OPTIONS under the Continuing Development OPT series (limited to one franchisee representative), are offered to franchisee at no additional cost. Training made available to additional franchisee representatives, at franchisee's request, is offered at franchisee's expense. The additional training fee for the 5- day Initial Training is \$750 per person for each representative over the first two. . The additional training fee for the Continuing Development OPT series, if such training is done in person, is \$150 per person for each representative over the first one.
- (5) If an existing franchisee wishes to transfer the franchise to another entity (transferee), a fee of \$7,500 will be payable to us, the Franchisor, when the Franchise Agreement or a material portion of the assets of the business interest is transferred to a third party. This amount is due at the time transferee executes the Franchise Agreement in effect for the transfer or sale of existing unit subject to Franchisor's right of first refusal.
- (6) All operating assistance expenses, such as but not limited to travel to franchisee's office, lodging, and reasonable meal expenses, are to be paid by the franchisee to franchisor.

(7) Payable only if the audit shows a 5% understatement of gross sales, or more, for any month.

**ITEM 7: ESTIMATED INITIAL INVESTMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>				
Type of Expenditure	Amount	Method of Payment	Due	Paid To
Initial Franchise Fee <sup>(1)</sup>	\$47,500	Lump Sum	When Signing Agreement	Us
Travel for Training for one representative <sup>(2)</sup>	\$1,200 - \$2,500	As Agreed	As Incurred	Vendors
Six Months' Rent <sup>(3)</sup>	\$3,600 - \$4,800	Monthly	Monthly	Landlord
Rent Security Deposit	\$600 - \$800	One Time Lump Sum	When Signing Lease	Landlord
Office Equipment, Hardware & Software <sup>(4)</sup>	\$2,000 - \$3,000	As Agreed	Before Opening	Vendors
Office Furniture	\$1,500 - \$3,000	As Agreed	Before Opening	Vendors
Homecare License	\$0 - \$2,000	Yearly or every 2 years	As Incurred	Your state dept. of health, or equivalent
Insurance - Liability, Bond, Workers Compensation, Auto, Property <sup>(5)</sup>	\$2,500 - \$4,000	As Agreed	As Incurred	Vendors
Office Supplies <sup>(6)</sup>	\$1,000 - \$1,800	As Agreed	As Incurred	Vendors
Marketing & Advertising <sup>(7)</sup>	\$6,000 - \$12,000	As Agreed	As Incurred	Vendors
Part-time Employee <sup>(8)</sup>	\$8,400 - \$10,000	As Agreed	As Incurred	Employee
Miscellaneous Start-up Costs <sup>(9)</sup>	\$2,500 - \$4,000	As Agreed	As Incurred	Vendors
Additional Funds for the First 6 Months <sup>(10)</sup>	\$9,000 - \$15,000	As Required	As Incurred	Vendors
Total Estimate <sup>(11)</sup>	\$85,800 - \$110,400			

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b> <b>(Area Development Agreement – for 3 or more outlets only)</b>				
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee	\$81,250.00	Lump sum payment in cash or available funds	Upon signing the Area Development Agreement	Us
Cost of first Franchised Business	\$38,300 - \$62,900	As Agreed	As Incurred	Landlord or Vendors
Total	\$119,550 - \$144,150			

Except as otherwise described in the notes below, the above table provides an estimate of your initial investment and the costs necessary to begin operating an Options For Senior America franchise. Actual costs will vary for each franchise PREMISES depending on a number of factors including market condition and the geographic location of your PREMISES. All fees and payments made to the Franchisor are non-refundable, unless otherwise stated. Fees paid to vendors, landlords, and other service providers may not be refunded unless your refund is negotiated with these providers.

**Footnotes:**

- (1) In addition to the initial 5-day training program, this franchise fee entitles the new Franchisee to the *New Franchisee Package* comprised of samples of printed marketing materials, an Operations Manual, over 200 operational and legal forms used to conduct business, and use of all processes and procedures developed by the franchisor related to networking marketing, advertising, recruitment, accepted standards, and other operational procedures.

The development fee is considered fully earned and is nonrefundable. The amounts stated in the single unit table are for one outlet operated pursuant to a single Franchise Agreement. The amount stated in the Area Development Agreement table assumes you will develop assumes you will develop a minimum of three (3) Options For Senior America outlets. The Development Fee payable will be increased by \$15,000 for each additional Options For Senior America outlet to be developed by you pursuant to your Area Development Agreement beyond these three (3) outlets.

- (2) You must attend a 5-day training program in Gaithersburg, MD at our Corporate offices. Training expenses as well as time spent by Franchisor's staff to conduct the training will be borne by the Franchisor with the tuition for up to two individuals attending our initial training program included in your initial franchise fee. It is your responsibility to pay for any expenses related to travel, transportation, and lodging while attending the initial training program and other training programs, as well as the tuition for additional persons beyond the first two.
- (3) A typical Options For Senior America start-up office is comprised of 150-300 square feet of space. Rent is estimated to be \$7,200 to \$9,600 annually depending on size and location of leased premises.
- (4) This estimate is to cover the following purchases: a desktop computer with Microsoft Office Professional, an all-in-one copier/printer/scanner/fax, a telephone system with a minimum of two lines dedicated to the franchise business, a cellular phone dedicated to the franchise, and a high- speed broadband modem/router

for Internet access.

- (5) This amount represents an initial insurance cost for your first year of operation. It is your responsibility to obtain and provide us proof of insurance and maintain the following insurance coverage: (1) comprehensive general liability and professional liability insurance with an initial limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. When the annualized Gross Revenues of the franchise reaches \$1,000,000 or more, Franchisee must increase the general and professional liability insurance coverage to a minimum of \$2,000,000 per occurrence. Also, when Gross Revenues exceed \$1,000,000 (one million dollars), Franchisee shall also maintain Errors and Omissions umbrella coverage for \$1,000,000 against performance failures and negligence with respect to products and services. This policy must include a minimum of \$250,000 for abuse and molestation coverage; (2) dishonesty bond, as prescribed by law, for all your care providers and with a minimum coverage of \$50,000; (3) workers compensation insurance for all your office staff and care providers in amounts as prescribed by law and with a minimum coverage of \$500,000 per occurrence; (4) hired and non-owned automobile liability insurance covering all your employees in an amount not less than \$1,000,000; (5) all-risk personal property insurance, including theft and flood coverage (when applicable), in an amount equal to the full value of the replacement costs of the contents and tenant improvements located at the franchise office; and (6) any other insurance required by statute or state law. These policies must name Options For Senior America Franchising, LLC and Options For Senior America Corp. as additional insured and you must provide proof of having secured these insurance policies before opening your new franchise for business. The estimated cost for all insurance during the first year of operation is \$5,000-\$10,000. The cost of the insurance premiums may change due to standard insurance rate adjustments and/or due to your claims and loss history.

When your annualized Gross Billings reaches \$1,000,000 or more, you must add employment practice liability insurance (EPLI) with minimum limit of at least \$500,000.

- (6) You need to obtain an inventory of office supplies for your daily operation. This estimated cost is for items that are not supplied by the Franchisor.
- (7) This expense is expected to be incurred during the first 6 months for various fees, dues, membership, networking activities, public relations campaigns, marketing campaigns, and advertising. These include advertisements in senior directories, internet lead expense, promotional materials, internet advertising, as well as care provider-related advertisements for hiring.
- (8) This expense is for payroll costs and costs associated with the hiring of a part-time staff member in your office, other than yourself. As a minimum and when your business is officially open, you are required to hire a part-time assistant, 20 hours per week, and make this assistant full time when monthly revenues reach \$20,000 for 2 consecutive months.
- (9) This amount is for expenses related to utilities, business license, incorporation or applicable legal fees, and other unexpected expenses. Among other examples, some of these expenses may include the cost for (1) installing an approved signage on your PREMISES as per Franchisor's directives, and the codes and ordinances of the community, (2) local, state, and federal taxes related to a start-up operation, (3) monthly payments of any loans taken (optional) for the business, and (4) reimbursing us for expenses that we incur as a result of any indemnification if we are held liable for any claims arising from your franchise business.
- (10) These funds reflect the estimated additional working capital that you will require to start your Options For Senior America business and conduct business during the first six months of operation. These are operating expenses that are part of these additional funds include, but are not limited to, care provider recruiting costs, background checks, utilities expenditures (electric, gas, internet, etc.), office phone expense, cellular phone, credit card merchant fees, payroll processing fees, IT services, accounting services, and ongoing fees paid to franchisor (royalty, marketing fee, and technology fee). These additional funds do not include

any draw or salary or personal living expenses for you. These figures are estimates and we cannot guarantee that you will not incur additional expenses starting your business. Depending on state laws and regulations that may apply to your Options For Senior America business, additional time may be required to obtain your required licenses. For this reason, you may need some additional funds over and above these estimated figures to support your new business. These additional funds are included in the high number in the chart above. Your costs will depend on how well you follow prescribed OPTIONS methods and procedures\*, your management skills, local economic conditions, business experience, the local market for services, the prevailing wage rate, competition, and the sales level you reach during the initial period.

\*Several guidelines and procedures have been established for all OPTIONS franchises and Franchisees must follow these with regard to the operation of any OPTIONS franchise. These guidelines and procedures will be communicated to each franchisee by way of the Operations manual, also known as Policies & Procedures (PPL) book as well as thorough written materials available to franchisees. All these necessary guidelines exist for the success of individual franchisees, as well as the entire OPTIONS franchise network. It is the responsibility of the franchisee to see that all guidelines are followed. You must also maintain accurate financial records, reports, accounts, books, and data relating to the operation of the business.

- (11) This total estimated initial investment is based on our experience of starting a branch office and covers your first 6 months in operation. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

## **ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

OPTIONS has spent considerable time and resources developing and refining the OPTIONS System; and due to the uniqueness and success of the System, we have established certain standards and specifications to which you, the Franchisee, are required to adhere. Our standards for customer satisfaction require that you always strive to render services that meet any customer's reasonable expectations. We also require that you abide by all laws and regulations applicable to the techniques and tools you choose to utilize in providing our services. Your success, in large part, is dependent upon the quality and pricing of your franchise's services, as well as your compliance with our standard practices and your state regulations.

We reserve the right to require you to purchase certain types of designs, logo signs, and promotional items in order to maintain consistency in appearance and quality among all franchisees, but you can select the supplier you chose. We have the right to specify, or otherwise approve, all services and items that are sold, which pertain to the franchised business.

All marketing and promotional material released by you in any manner must conform to our requirements. You must submit to us via e-mail, for our prior approval, all advertising, promotional plans, and materials that you desire to use which have not been previously approved by us. You may not use any marketing or promotional materials that we have disapproved of. Although we are not obliged to do so, we may negotiate purchase arrangements with other suppliers for the benefit of our franchisees.

Franchisor may grant or revoke approval of alternative suppliers based on the following criteria:

- a) Approval of an alternative supplier is based on the Franchisor's determination of whether the sample product meets the minimum requirements of quality
- b) If an alternative supplier is approved in writing by the Franchisor, Franchisee may contract directly with the alternative supplier
- c) There will be no fee imposed on the Franchisee, by the Franchisor, for the latter to grant or revoke approval of a certain alternative supplier, provided Franchisee's request is deemed to be reasonable in terms of frequency and/or applicability
- d) Upon the written request by a Franchisee to the Franchisor for an evaluation of a potential alternative



supplier, Franchisor shall either approve or disapprove the alternative supplier within two (2) weeks from the date an evaluation sample, that is produced by the alternative supplier, is received by the Franchisor

e) As of December 2024, Franchisor does not derive any income based on required purchases or leases

There are no suppliers of which an officer of OPTIONS currently owns an interest. OPTIONS typically negotiates purchase prices with its suppliers stemming from the large volume of marketing and promotional products that they purchase, thus benefiting its franchises and its own corporate units. Franchisee may purchase such products from these suppliers or from the Franchisor, at their own discretion.

You are required to secure insurance coverage by the time you start operating your new business. These insurance policies must have the following minimum coverages per year: (a) \$1,000,000 per occurrence for general and professional liability, (b) \$250,000 for abuse and molestation, (c) \$50,000 dishonesty bond, (d) \$500,000 workers compensation, and (e) \$1,000,000 hired and non- owned automobile liability. You are required to furnish us with a copy of all insurance policies required by the Franchise Agreement, or such other evidence of insurance coverage and payment of insurance premiums as we request. You must maintain in force, at your expense and at all times, all insurances. If you fail to purchase the required insurance, we may demand that you cease operations, or we may obtain insurance on your behalf and, in that instance, you must reimburse us for the cost of insurance. We reserve the right to require you to change the type of insurance you are required to maintain, including a change in the coverage limits.

You will also be required to purchase a computer system and associated software for your office use, as specified under Item 11.C of this disclosure document. To operate your franchise, you must obtain and use dedicated telephone lines, printers, other computer-related accessories and peripheral equipment, and Internet service. Furthermore, you are required to use AxisCare and QuickBooks Desktop, the accounting software we designate, which you are able to access through our cloud servers.

You will be required to sign a Non-Disclosure, Confidentiality, and Non-Competition Agreement as part of the Franchise Agreement.

Options For Senior America Franchising LLC agrees to provide the undersigned pertinent confidential and proprietary documents and information relating to OPTIONS. The undersigned agrees that this and any subsequent information received will be held in the strictest confidence and only used for the sole intention of evaluating an OPTIONS outlet for the purpose of negotiating an OPTIONS Franchise. The undersigned further agrees this information shall only be made available to his/her financial and legal advisors, and then only under the terms and conditions that are set forth herein. In the event that it is determined that there is no interest in negotiating the acquisition of an OPTIONS Franchise, all documents and information provided shall be returned to OPTIONS.

The cost of your purchases and/or leases from approved or designated sources, or according to our standards and specifications, are approximately 8% to 15% of the total cost of establishing your Business, and approximately 10% to 15% of the total cost of operating your Business.

## **ITEM 9: FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement and other agreements if applicable. It will help you find more detailed information about your obligations in these agreements and in other items of this Franchise Disclosure Document.**

The section sign (§) is a typographical character used mainly to refer to a particular section of a document, such as a legal code.

	<b><u>Obligation</u></b>	<b>Section in Franchise Agreement</b>	<b>Section in Area Development Agreement</b>	<b>Item(s) in Disclosure Document</b>
A	Site selection and acquisition/lease	§ 20	Not Applicable	Items 7 & 11
B	Pre-opening expenses and purchases	§ 8	Not Applicable	Item 7
C	Site development and other pre-opening requirements	§ 12 & 20	Not Applicable	Item 7 & 11
D	Initial and ongoing training	§ 12 & 20	Not Applicable	Item 11
E	Opening	§ 10 & 11	Not Applicable	Items 7 & 11
F	Fees	§ 9 & 10	Not Applicable	Items 5, 6 & 7
G	Compliance with standards and policies/Operations Manual	§ 12	Not Applicable	Item 8
H	Trademarks and proprietary information	§ 9 & 16	Not Applicable	Items 13 & 14
I	Restrictions on products and services offered	§ 9 & 12	Not Applicable	Items 11 & 16
J	Territorial development and sales quotas	§ 6	§ 5	Item 12
K	Ongoing product and services purchases	§ 12	Not Applicable	Items 5 & 8
L	Maintenance, appearance and remodeling requirements	§ 12	Not Applicable	Items 7 & 11
M	Insurance	§ 13	Not Applicable	Item 7
N	Advertising	§ 10	Not Applicable	Item 6, 7 & 11
O	Indemnification	§ 17	Not Applicable	Item 6
P	Owner's participation/management and staffing	§ 12	Not Applicable	Items 11 & 15
Q	Records/reports	§ 14	Not Applicable	Item 11
R	Inspections/audits	§ 12 & 14	Not Applicable	Item 6
S	Transfer	§ 22	§ 6	Item 17
T	Renewals	§ 7	Not Applicable	Item 17
U	Post-termination obligations	§ 24	Not Applicable	Item 17
V	Non-competition covenant	§ 19	§ 8	Item 17
W	Dispute resolution	§ 25	§ 10	Item 17

Furthermore, the following documents are required to be submitted by the Franchisee to the Franchisor each year within one calendar week from submitting them to the government, or receiving them from the issuing organization:

- Federal and state tax filings
- State license to provide home care services, as required by the state where service are provided
- Certificate of Insurance covering all insurance policies required by the Franchisor

## **ITEM 10: FINANCING**

We do not offer you, directly or indirectly, any financing arrangements. However, upon your request, we can introduce you to our financial institution, PNC Bank, who has agreed to facilitate to our franchisees the process of applying for a business loan. We do not guarantee that you will be approved for financing. If you are approved for financing, we cannot guarantee your note, lease, or any other obligation that you may have. We are unable to estimate whether you will be able to obtain financing for all or any part of your investment, and, if you are able to obtain financing, we cannot predict the terms of such financing.

## **ITEM 11: FRANCHISOR'S OBLIGATIONS**

**Except as listed below, OPTIONS is not required to provide you with any assistance.**

### **11.A. Pre-Opening Obligations**

Before you open your agency, OPTIONS will:

1. Provide limited input to assist you with your office location. Although we require that you operate your business from a location within your Protected Territory and that you abide by all local laws, statutes, codes, and restrictions in your local area, we do not require approval of your selected site nor do we review and/or approve your office layout and build-out plans. You are granted the right to open a franchise within a Protected Market as described in the Franchise Agreement. It is expected that franchisees will typically open their franchise within a 3-week period from the date they complete the 5-day Initial Training, however Franchisor does not guarantee a time-frame for acquiring a location or the state license required to offer home care services in their respective state (Franchise Agreement, Section 6.A.).
2. Provide limited guidance with the securing of your required business and homecare licenses. Each state and jurisdiction have different laws and restrictions, and we urge you to become familiar with your local requirements so that the process of securing these licenses is expedited (Franchise Agreement, Section 12.C.).
3. Provide you with a 5-day training program, for up to two individuals, at our corporate offices in Gaithersburg, MD, or at another location designated by us. The week for this training will be agreed upon after the Franchise Agreement has been executed. We will provide our Training program as described on page 24 of this FDD which you must attend and complete. This training program includes training in the operation and management of the business, including product knowledge, record keeping and reporting procedures, personnel management, advertising, computer software systems, customer relations & inquiry taking, quality control, and other general policies and procedures (Franchise Agreement, Section 20.a.). This initial 5-day training is supervised by the Co-CEO & Co-CEO, Radhik Patel and Alec Campbell respectively, who have a combined 52 years of experience in operating and managing home care agencies.
4. Furnish you with a loaned copy of our Operations Manual, also known as the Policies & Procedures Manual (PPL book). We may modify this manual from time to time, but such modifications will not alter your status and rights under the Franchise Agreement. This manual contains standard operating procedures and rules prescribed by us for your franchise. The entire book is, at all times, to be treated as confidential and proprietary, and remains the property of OPTIONS. It is your responsibility to keep one copy of this Operations Manual current with the online master copy maintained by OPTIONS on their website. The Operations Manual may not be reproduced or distributed to any unauthorized person. The table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit D (Franchise Agreement, Section 20.E).
5. Provide assistance with your initial public relations and marketing campaign via telephone, email, fax, and/or other effective means.

6. Recommend all necessary equipment, supplies, signage, etc. and suppliers to provide same, with estimated costs for each category (Franchise Agreement, Section 20.j).
7. As part of our 5-day training program, assist with attracting, screening, qualifying and recommending the necessary staff needed to initially open your office (Franchise Agreement, Section 20.b).
8. Assist you in preparing and placing adequate advertising in print and web media to attract care providers and clients at the time of opening (Franchise Agreement, Section 20.b). Franchisor does not maintain an advertising fund, nor an advertising cooperative, to be used for national advertising, and therefore the franchisee does not contribute to such funds but is responsible for the cost of their advertisements. Consequently, no advertising council composed of franchisees currently exists. The above-mentioned funds and council may be established by the franchisor in the future, at which time all existing franchisees will be informed.
9. The marketing fee a franchise is required to pay is 1.5% of its monthly gross revenues. This fee covers expenditures by the franchisor to develop, disseminate and implement different marketing activities throughout the year. During certain awareness months, such as Alzheimer's, Diabetes, hospice, social work, nursing homes, nurse's aides, and others, franchisor implements several drip campaigns that are made available to the franchisees, and promotes its Give-Back-to-the-Community campaign. All these marketing and campaign programs are made available to the franchisees. The franchisor spends 0.5% to 1.5% of its gross revenues for marketing expenditures related to the operation of its company-owned units. At the end of the calendar year and upon written request, you may obtain an accounting of the distribution of the marketing fund.

## **INITIAL TRAINING**

Before you open your new franchise office, we will provide you with a mandatory training program. This training program is comprised of two phases requiring approximately 60 hours in total. Phase One is an OPTIONS directed training which occurs shortly after the signing of your Franchise Agreement, but before you visit our office for Phase Two training. Phase Two training is focused on operational, marketing and business topics. You must hire a Care Coordinator or Customer Service Representative prior to commencement of training, and we strongly recommend that this individual attend the Phase Two training along with you. Phase Two training must take place no later than 3 weeks after signing the Franchise Agreement. At our sole discretion, we may extend this period if it is anticipated that the date of starting your new franchise business will be delayed because of reasons that are deemed to be beyond your control. Phase Two training will consist of up to forty hours of classroom training and will be held at our Corporate office in Gaithersburg, MD or at any other location we select, at our sole discretion. The training material for this phase consists of manuals, other written documents and forms, and visual aids (Franchise Agreement, Section 20.a.).

Instructors for this initial training have a long experience in the home care field and with Options. Typically, 5-6 instructors provide the training and they bring with them a combined 60-65 years of experience with Options and in the home care field. If we determine, at our sole discretion, that you did not successfully complete the initial training program to our satisfaction (Franchise Agreement, Section 12.F.), we have the right to (i) require you to attend additional training, at your sole expense, until you demonstrate a level of skill sufficient to establish your franchise business, or (ii) terminate the Franchise Agreement. If we elect to terminate the Franchise Agreement, we will refund the initial franchise fee paid by you, less the sum of \$5,000 (five thousand dollars) which we will retain as compensation for the expenses we incurred in connection with the initial training program and other related expenses incurred prior to the initial training. If we terminate the Franchise Agreement as a result of your failure to complete our initial training program to our satisfaction, you must comply with the post- termination non-competition and non-disclosure provisions contained in the Franchise Agreement.

As the franchise owner, this training program (Phase Two) will be available to you, based on space availability and without charge of tuition or training fees at any time during the initial term of your Franchise Agreement. If at

any time after signing the Franchise Agreement you appoint a new Office Manager or Principal Operator of your business other than yourself, then s/he must attend the initial training program within two months of such an appointment. You or your Office Manager / Principal Operator must attend any additional mandatory training programs or webinars we may offer. We agree to give you 30 days prior written notice of any mandatory training programs or webinars. You will also be required to attend the annual Franchise Owner Conference in person. You must pay all transportation and living expenses incurred by you and your employees in connection with attending initial and on-going training programs.

The following table shows the topics covered during our initial training program as of the date of this Disclosure Document:

#### TRAINING PROGRAM (Phase 1)

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Selecting Your Office (initial process)		2	By phone & email
Securing License(s)		4	By phone & email
Securing Insurance Coverage		2	By phone & email
Opening Your Business Banking Account		1	By phone & email
Site Development & Pre-Opening Needs		2	By phone & email
Creating Your Business Plan		4	By phone & email
Market Research/Competitive Analysis		3	By phone & email
General Operations		2	By phone & email
Estimated Total Hours		20	

#### TRAINING PROGRAM (Phase 2)

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to Home Care	2		Franchisor's Office
Introduction to OPTIONS	1		Franchisor's Office
Services & Pricing	3		Franchisor's Office
Recruiting & Retaining Care Providers	6		Franchisor's Office
Marketing, Networking, & Advertising	6		Franchisor's Office
Inquiries & Intakes	3		Franchisor's Office
Sales & The Value Added Proposition	2		Franchisor's Office
Care Coordination & Scheduling	4		Franchisor's Office
Case Opening	2		Franchisor's Office
Customer Service	2		Franchisor's Office
Compliance, Policies & Procedures	4		Franchisor's Office
Accounting & Finance	3		Franchisor's Office
Franchisee/Franchisor Relationship	2		Franchisor's Office
Estimated Total Hours	40		

## **FRANCHISE SITE SELECTION (Franchise Agreement, Section 6.A.)**

Although we will offer you assistance in selecting an office location for your Franchise Business, you are responsible for selecting and acquiring such office space. Your office location must be in your Territory. When you execute the Franchise Agreement, we will assist you in securing a desirable office location, and will advise you in negotiating a lease. If you request, we will review and comment on your proposed lease. We do not select the site, nor approve the area in which you select a site. However, we require that you obtain commercial and operational office space within three weeks after you complete the Initial Training program. The site selection is ultimately your responsibility. If you purchase a second contiguous territory from us at the same time that you purchase your initial territory, you may operate the second territory from the same office as the initial territory. However, if you purchase a second or additional territories from us after you purchase your initial territory, then you have to operate the second and additional territories from separate office(s) located in the new territories.

In the event additional territories are purchased after you purchase your initial territory, then in addition to office location requirements stipulated in the above paragraph, financial and operational books and documents must be kept separately for each territory/office, including but not limited to, separate QuickBooks, and separate bank account. Furthermore, separate royalties (for all four categories) shall be paid by Franchisee to Options, based on the corresponding minimum monthly royalty per territory/office, or on the individual sales revenues for each territory/office, as defined in Item 6 of this document.

## **11.B. Post-Opening Obligations**

### **CONTINUING SUPPORT & GUIDANCE (Franchise Agreement, Section 20.h)**

After your office opens and during the term of the Franchise Agreement we will, upon your reasonable request, provide you with continuing consultation and advice by telephone or email regarding technical, operational and advertising matters which directly relate to your franchise. OPTIONS will:

1. Assist in preparing all advertisements and promotional materials and in recommending budgets and media vehicles. Placement of and payment for all advertising shall be your responsibility. Such advertisements in media shall be designed to reach customers within the Protected Territory. We strongly recommend that you budget about 3% of your total Gross Revenues for advertising purposes. Our monthly Marketing Fee covers the use of our:
  - a. display ads in magazine and newspapers
  - b. classified ads in print and web-based media to recruit care providers and staff
  - c. classified ads to attract clients
  - d. marketing circulars to your mailing/referral list
2. Approve or disapprove samples of your advertising and promotional materials. (Franchise Agreement, Section 10.).
3. Periodically refer you to prospective clients in your Protected Territory who contact us seeking home care service. Such prospective clients are not guaranteed by us nor considered as part of the normal operations of the franchise system.
4. Offer you free attendance at our regularly scheduled annual meetings, tailored for franchise owners, and/or continuing development courses, our OPT (Ongoing Program of Training) series. Although you are not required to attend these training meetings and session or pay to attend them (except for your travel, food and lodging expenses which are borne by you), we recommend that you attend.
5. Visit your franchise from time to time or upon your request for the purpose of advising you with respect to operational and sales matters. Should you request such a visit, you will be responsible for all transportation, room and board incurred by us during the visit. Visits may take place at our discretion, and at the times of our choosing. (Franchise Agreement, Section 20.D.)

## ADVERTISING AND MARKETING

We are not required to spend any amount on advertising in your territory. We make materials available for your use in direct mail and other marketing promotions, and for your local and/or regional advertising needs. We recommend that you advertise in your local publication(s). If your local publication(s) cover(s) more territory than your own, or if your territory spans beyond the coverage area of local publication, you must proportionately participate in a joint ad between you and any other Franchise Owner of a territory covering the same local publication market, if applicable. We will provide you with logo artwork in electronic format to use in your advertising. If more than one OPTIONS franchise exists in the same local publication coverage area, then the local ad will represent each participating OPTIONS office by displaying each office's respective areas of service and phone number.

You are obliged to allocate funds that will be spent on local advertising that will include various local advertising print media, internet advertising, as well as other promotional materials and expenses such as local customer and care provider recruitment advertising, direct mail and the production and distribution of brochures and other collateral materials. This expenditure will be at a rate of 1% of your Gross Sales, but not less than \$1,000 per month. We have developed advertising and communications materials that you may use in your marketing program. At your own expense you may develop advertising materials for your own use in your local market, however, you must submit samples of your advertising materials for our approval in advance (Franchise Agreement, Section 12).

Options For Senior America Franchising, LLC has not created a national or regional advertising fund, but with 60 days prior notice, may create such a fund and may require you to pay national and regional Marketing Fees on behalf of OPTIONS. In the event such a notice is given, Marketing Fees will be charged at a rate of up to 1% of Gross Sales. This fee will be due by the 15<sup>th</sup> day of each month, for all Gross Billings in the previous month. Fees collected will be allocated exclusively by OPTIONS and used for the creation and design of regional or national advertising materials designed to increase brand awareness and may not correlate to any specific marketing in your local area, nor be designed to directly benefit any specific franchise. Fee allocation by OPTIONS will not be audited nor subject to specific review as to media selection or timelines for spending. We will not use any money from such an advertising fund to purchase advertising that is principally a solicitation for the sale of franchises. At the end of the calendar year and upon written request, you may obtain an accounting of the distribution of the funds in any national or regional advertising fund. Currently, no advertising funds were collected throughout the past fiscal year.

Franchisee shall not post its own website nor attempt to modify, in any way or manner, Options Corporate website. Furthermore, Franchisee shall not post a blog, engage in any social media or networking on the Internet, or conduct any type of Internet communication that refers to Options, its affiliates, or any of its franchisees without Franchisor's prior written consent.

### *AxisCare Software*

OPTIONS will provide you updates to the *AxisCare* software/application. At times and when the *AxisCare* is upgraded, it may require new hardware for proper functioning, and we have no obligation to upgrade your hardware. Although you have no obligation to upgrade your hardware components, you may need to do so to take full advantage of the latest enhancements.

## **11.C. Other Obligations**

### OPENING YOUR OFFICE

We estimate that the typical length of time between signing the Franchise Agreement/paying your initial franchise

fee and the opening of your franchise office will be approximately four to six weeks. Factors affecting this time period may be the completion of your initial training, the ability to obtain an office location, the execution of your office lease and office build-out, and securing any necessary business licenses and/or permits. We require that you open your office within a six-week period from signing Exhibit A, the Franchise Agreement, or a three-week period from the completion of your initial training, whichever is the earlier date, or once you have completed any regulatory requirements that may extend beyond that time, if such requirements are necessary to providing companionship services (Franchise Agreement, Section 12.B.).

## COMPUTER SYSTEM & OTHER EQUIPMENT

We have no obligation to assist you in obtaining the necessary equipment, hardware, or software. We do not require you to purchase any particular brand of computer hardware; however, your computer hardware must be Microsoft compatible. You are required to purchase the specific hardware and software described below. You are also required to update your hardware and software components to ensure effectiveness and compatibility with current technologies. There are no contractual limits on the frequency or cost of this obligation.

In order to ensure that your system is properly configured for the effective operation of your franchise, it must include the following minimum hardware requirements:

- PC with 3.0+ GHz processor
- 16 GB minimum RAM
- 500 MB hard drive
- Backup device
- Telephone system, printer, scanner, copier, and FAX
- Fast Internet connection (minimum 50 Mbps)

The minimum software that is essential and required to help you in the operation of your franchise is listed below. Included in your franchise setup is a license to use our customized *AxisCare* application. As of the date of this Disclosure Document, you must purchase all of the following software from a supplier of your choice:

- Microsoft Windows 10, or higher Operating System, or Mac OS 12 or higher
- A recent version of Microsoft Office
- A recent version of Adobe Acrobat Professional
- Virus protection software with a current subscription to virus definitions

You will grant us access, at all times, to your computer system (all computers, if more than one exist in your office), files, and data so that we may retrieve, download, and/or analyze information and figures pertaining to the operation of your franchise. Such information is comprised of all data used by your franchise to run your business, including but not limited to data pertaining to your clients, care recipients, care providers, schedules, invoices, collections, payroll, social workers, discharge planners, referral sources, expenses, sales, financial figures, advertising, and marketing. We may access information from your computer system from other locations or through an intranet system we may develop or through the internet. You must store and maintain all data and information that we designate and report data and information in the manner we specify.

We estimate the price of your computer system and other equipment will range from \$2,000 to \$2,700. Any expenses you incur in connection with the purchase, operation, repair, maintenance or upgrading of your computer system and other equipment shall be your sole responsibility. You must also pay for upgrades and updates for all software and remain current on all software updates. If you wish, you may purchase maintenance and support contracts from third parties for hardware or other software.



## **ITEM 12: TERRITORY**

The Franchise Agreement grants you an exclusive Franchised Territory (Section 6). You must operate your Franchised Business within the limits specific to the location identified in the Franchise Agreement. You may not conduct business at any other site, nor relocate the Franchised Business without our written consent which we will not unreasonably withhold. The Franchised Territory varies by franchise, and may be as small as a portion of a single county, or as large as several contiguous counties within a state or states. This determination depends on the specific market characteristics. The Standard Territory will be defined prior to your execution of the Franchise Agreement, and will generally have a minimum population of 250,000 and a maximum population of 400,000 provided the number of seniors (age 65 plus) is between 30,000 and 35,000 and as identified at the time the Franchise Agreement is executed. If you wish to purchase a Premium Territory with a total senior population up to 55,000 (20,000 over the maximum 35,000 for a standard territory), we require you to pay us an additional \$1,000 per each additional 1,000 seniors (or fraction thereof) over 35,000 in the Territory. Please note that per the US census of 2023 individuals who are 65 years of age and older comprise 17.3% of the total population in the United States.

You do not receive the right to acquire additional or contiguous franchise areas automatically. You may, however, purchase additional territories or franchises with our approval. We reserve the right to grant additional franchise territories in our sole discretion. The granting of any additional franchise territory is contingent upon an existing franchisee's ability to operate additional franchises, in terms of both financial resources and management capability. Generally speaking, new franchise territories will be granted only to existing franchisees which are in good standing with respect to each of their existing franchises. Except as described above, the Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises. However, if a franchisor receives an offer from an entrepreneur to purchase a territory contiguous to an existing protected territory, then the franchisee of said protected territory will have the first right of refusal for the contiguous territory. You may only provide the services authorized by the Franchise Agreement from locations within the Territory, and to customers located within the Territory. You may contact referral sources outside of the Territory for the purpose of generating business inside the Territory. When the referral source lies within the Territory owned by another franchisee, we anticipate that each franchisee will cooperate with the other, in order to maximize the marketing benefits to both, and to minimize confusion within the marketplace. You may not solicit or accept orders from customers outside of the Territory, and you may not use other channels of distribution, such as the internet, catalog sales, telemarketing or other direct marketing to make sales outside of the Territory. We do not specify or otherwise control the location or number of your office(s) within the Territory. You must inform us if you relocate your office, however our approval is not required in connection with the relocation of any office(s) you may establish within the Territory. Existing franchisees may have Clients in your Territory when you sign the Franchise Agreement, but they will not be permitted to take on any new Clients in your Territory. Unless an existing Franchisee has a Franchise Agreement that provides otherwise, an existing Franchisee with Clients in your Territory will be required to refer to you their existing Clients within your Territory once you are ready to open your Business. You will be required by your Franchise Agreement to refer any Clients in the Territory of a new Franchisee to that new Franchisee once they open their Business.

We reserve the right under the Franchise Agreement to enter into contracts or strategic alliances with "National Accounts" to provide home care services to Clients they refer or assign to OPTIONS. We will contact you and provide you with a right of first refusal to provide home care services to the Clients referred or assigned to us by the National Account who reside in your Territory, unless you are not eligible to provide the services. To be eligible, you must be able to provide services to the Clients based on rules (e.g., qualifications, availability, resources, pricing, billing terms, and insurance requirements), guidelines or other terms and conditions agreed to between us and the National Account or as otherwise directed by the National Account. In the event that you cannot or do not elect to provide home care services to Clients in your Territory based on our National Account agreement or program, or violate the agreement with the standards or rules of the National Account, we or our designees, including other franchisees, will have the right to provide such services to the affected Clients in your Territory and you will not provide services to those Clients during the term of the National Account agreement or

program and will not be entitled to receive any portion of the resulting compensation. We cannot guarantee that we will develop or maintain contracts or strategic alliances with a particular number of National Accounts, if any, or that if we do, that you will receive any National Account referrals or assignments in your Territory.

Your right to continue operating an OPTIONS franchise and to maintain the exclusivity of your Territory requires that you attain and maintain, at a minimum, the following sales levels (“Minimum Sales Requirements”). Following the Effective Date of your Franchise Agreement and during the years indicated below, you must achieve and maintain the following Minimum Sales Requirements:

2 <sup>nd</sup> year	average of \$15,000/month
3 <sup>rd</sup> year	average of \$20,000/month
4 <sup>th</sup> year	average of \$25,000/month
5 <sup>th</sup> year	average of \$35,000/month
6 <sup>th</sup> year and for the remainder of the term of your Franchise Agreement	average of \$45,000/month

If you fail to meet Minimum Sales Requirements, we may reduce the size of the Territory, license someone else to establish a Business in the Territory, or terminate your Franchise Agreement, following a cure period.

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

### **Area Development Agreement**

If you sign a Area Development Agreement, your rights to the Development Area will be protected as outlined in the Area Development Agreement. The Development Area Territory is determined as mutually agreed upon by you and us and outlined in the Area Development Agreement when signing the Area Development Agreement.

While the Area Development Agreement is in effect, provided that you open and operate the Options For Senior America Franchised Businesses per the Development Schedule and the minimum number of Franchises that you have open and operating in the Development Area at any given time is not less than the minimum required according to the Development Schedule, we will not operate, or license any person other than you to operate, an Options For Senior America Franchised Business under the Marks and the System within the Territory.

We reserve the right to own, acquire, establish and operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Development Area; acquire a system of Competitive Businesses with units located within your Development Area or outside the Development Area; sell the services and products authorized for Options For Senior America Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, venues; site or location models other than the Model Concept of your Franchised Business, including such as a storefront, brick, and mortar, co-branded, pop-up, virtual, or mobile outlets; joint marketing with partner companies; direct mail; catalog sales; internet sites; and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate; advertise, promote, market or sell goods or services using the Options For Senior America Marks over the internet, the World Wide Web or any other electronic network; offer and sell the services and products authorized for Franchised Business using the Options For Senior America Marks or other trademarks, service marks and commercial symbols to Special Accounts; own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues.

The typical time between signing the Franchise Agreement, or the first payment of consideration for the Area Development Agreement, and opening the franchised business varies. However, you should be able to commence operation within an additional 1 year for each additional franchise business after signing as required by the Area Development Agreement. Factors affecting this time-period include how long it takes to complete any modifications to your Franchised Business, completion of financing arrangements, compliance with local ordinances, obtaining permits, and obtaining and installing equipment. If you fail to adhere to the Development Schedule, we may terminate the Area Development Agreement, and all of your territorial rights will be eliminated. We otherwise will not change the size of your Development Area. Your Area Development Agreement does not give you any other options, rights of first refusal, or similar rights to acquire additional franchises within the territory or contiguous territories. If a default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement, we may terminate your Area Development Agreement. However, a default under the Area Development Agreement is not cause for termination of any existing Franchise Agreement.

### **ITEM 13: TRADEMARKS, SERVICE MARKS, AND LOGOS**

We grant you the nonexclusive right to conduct business under the name OPTIONS and use our trademark solely for the operation of your OPTIONS franchise and in the manner authorized by us. When using the trademark on checks, invoices, receipts, contracts or any other documents your name must be followed by the phrase a “Franchisee of OPTIONS”.

We retain the right to use and to license others to use our trademark and logo, to create other systems using the same trademark, and you, the franchisee, have no rights in the trademark OPTIONS other than what is expressly granted in the Franchisee Agreement.

The following service marks, or trademarks, are on the principal register of the U.S. Patent and Trademark office.

<b>Mark</b>	<b>Registration Number/SN</b>	<b>Issue Date</b>	<b>Register</b>
Options For Senior America Corp.	2965799	April 15, 2015	Principal
Options For Senior America Franchising, LLC	6843455	September 13, 2022	Principal

There are no determinations or agreements currently in effect that significantly limit our rights to use or license others to use the trademarks and service marks in any manner material to the franchise by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, or the trademark administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or litigation involving the trademark (MARK). Under the terms of the Franchise Agreement, you must follow our rules when you use our trademark. You must notify us immediately in writing of any apparent infringement to your use of our trademark. You may not, without our written consent, start, prosecute, or seek any litigation to enforce any right or recover any element of damage arising from the use or infringement of our trademark. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or proceeding concerning trademark infringement. We are not obligated by the Franchise Agreement or other agreements to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving the Marks. In the event we modify or discontinue using our trademark, you must without delay modify or cease using it as well. The use of a new or modified trademark may require you at your own expense to change existing signs from your OPTIONS franchise and purchase and install new signs. Under the terms of the Franchise Agreement, we have no liability to you in connection with such an exchange (Franchise Agreement, Section 15.C.6)

Upon expiration of the Franchise Agreement, you must cease using the trademark and logo in any manner whatsoever.

We own and use the Marks in conducting our business of our services and products. You may not claim any rights in the display of the trademark, and you may not incorporate using the name of OPTIONS, or display the trademark

beyond the limited permission granted in the Franchise Agreement.

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

OPTIONS do not own any patents that are material to the Franchise Business or have any pending patents that are material to the Franchise Business. We claim copyrights in our Operations Manuals, website, and other written materials which we allow you to use. These materials are proprietary and confidential and are considered our property. They are to be used by you only as long as you are a franchisee, and only as provided in your Franchise Agreement.

You may use these materials, only in the manner we approve, in the operation of your OPTIONS franchise during the term of your Franchise Agreement. You may not use such materials in any other way for your own benefit, nor communicate or disclose them to, or use them for the benefit of any other person or entity. These materials include any trade secrets, techniques, know-how, confidential information, or knowledge of advertising, marketing, designs, plans, or methods of operation. These contents also include information about our sources of supply and recommendations on pricing. You may disclose this information to your employees, but only to the extent necessary to operate the business, and then only while your Franchise Agreement is in effect. You must also promptly tell us if and when you learn about unauthorized uses, or challenges to our uses, of this proprietary information.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your OPTIONS franchise during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other businesses would constitute unfair competition and breach of contract. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that (1) you will not use the Confidential Information in any other business, (2) you will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement, and (3) you will make sure nondisclosure and non-competition clauses are in effect in employment agreements with your employees before they receive any training from you.

#### **ITEM 15: OBLIGATIONS TO PARTICIPATE IN THE OPERATION OF THE FRANCHISE BUSINESS**

The Franchise Agreement provides that you devote your continuous best efforts to the development, management and operation of your business. You, or, if applicable, your Principal Operator, must complete the initial training program, within the time frames described in Item 11.

As the primary person in charge of daily operations, you will be required to devote sufficient time and resources to ensure full and complete compliance with your obligations to us, to your customers and to others. Your OPTIONS franchise must at all times be under your direct, day-to-day supervision. Furthermore, you may not have any business relationship with any business competitor.

Other than your involvement in the day-to-day operations of your franchise, we require that you hire a second individual, at least on a part-time basis, with a minimum of 20 hours per week. This person may be the Manager of your office, the Principal Operator of your franchise, a marketing and sales individual, or the Care Coordinator, depending on the level of your involvement in the daily operation of your franchise. Either yourself, or another employee that you designate, must at all times be dedicated primarily to marketing activities for a minimum of 40 hours per week. At all times after officially opening your business, one employee must be available on-call 24 hours per day to return urgent telephone messages after-hours and on weekends. Employees returning telephone messages must do so within 15 minutes after receiving the after-hours call and inform the person answering the call that they are calling on behalf of OPTIONS. Any and all of your employees must, however, sign a written agreement to maintain the confidentiality of the trade secrets described in Item 14 and conform with the covenants not to compete. You must also employ, on a part-time and contingent (PRN) basis, a registered nurse for the

purpose of performing initial and supervisory care recipient needs assessments if your State regulations so require. You must hire and maintain at least one full-time business development employee per territory

## **ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

The Franchise Agreement requires that you confine your business activity to the operation of an OPTIONS franchise. You may not conduct any other business or activity at the OPTIONS location without our prior written approval. You may only offer or sell products or services approved by us, and we may add, delete or change such approved services and products, which you are required to offer. There are no limits on our right to do so. You may advertise to sell OPTIONS services and products only to customers located within your Territory. Furthermore, you are restricted from serving Clients outside of your Territory (Item 12). You must comply with all licensing, bonding or other regulations required by any applicable state or local authorities regarding any of the services you provide. These requirements may restrict the services offered by you or limit the customers or Clients to whom you may offer your services. Conversely, you are not permitted to offer other services not authorized by OPTIONS even if licensed to do so.

## **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 agreement and exhibits attached to this Disclosure Document.**

	<b>Provision</b>	<b>Franchise Agreement Section</b>	<b>Summary</b>
a.	Term of Franchise	§ (7)	10 years
b.	Renewal or extension of the term	§ (7)	Renewals are available only if you meet certain requirements. Applicable stipulations are as provided in the then-current Franchise Agreement.
c.	Requirements for Franchisee to renew or extend	§ (7)	If offered, you must: (1) provide written notice of intent to renew; and (2) be in full compliance with the terms of the Franchise Agreement. New Franchise Agreement shall be executed – you may be required to sign a contract that contains materially different terms and conditions than those in the original contract you initially signed.
d.	Termination by Franchisee	§ (23)	Only if we have materially breached or failed to comply with the Franchise Agreement.
e.	Termination by Franchisor without cause	Not applicable	Not applicable
f.	Termination by Franchisor with cause	§ (23)	We can terminate the Franchise Agreement if you breach a material provision of your Franchise Agreement, you declare bankruptcy*, or you fail to pay sums you owe us.
g.	“Cause” defined: curable defaults	§ (23)	You have the following times to cure these defaults: One (1) calendar month to rectify a breach of the Franchise Agreement. Fifteen (15) business days to pay past due royalty fees. Fifteen (15) business days to regain lost insurance, lost

			bonding, or lost occupancy of your office location. 72 hours for to correct violations of health, safety, or sanitation procedures.
h.	“Cause” defined: non-curable defaults	§ (23)	Nonpayment, loss of control, omission on application, misrepresentation, criminal conviction, unauthorized use of Confidential Information, unauthorized transfer, failure to pay taxes, dishonest or unethical conduct, insolvency, bankruptcy (if enforceable under the law), unsatisfied judgments, foreclosure, levy, assignment for benefit of creditors, repeated violations of Franchise Agreement, repeated non-compliance, repeated customer complaints, abandonment, or unauthorized disclosure.
i.	Franchisee’s obligations on termination/non-renewal	§ (24)	Cease operating franchised business; cease use of Confidential Information and Trademark; deliver property containing the Trademark; cancel assumed or similar name registrations; pay outstanding amounts & damages; return manuals and proprietary software; assign phone numbers; comply with covenants.
j.	Assignment of contract by Franchisor	§ (22)	There are no restrictions on our right to assign.
k.	Transfer by Franchisee - defined	§ (22)	A transfer by you is any sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance of any interest and/or assets in either the Franchise Agreement, the franchise itself, or any proprietorship, partnership, limited liability company (LLC) or corporation which owns any interest in the franchise, to any person, persons, partnership, association, LLC or corporation, whether by contract, operation of law or otherwise.
l.	Franchisor approval of transfer by Franchisee	§ (22)	We have the right to approve all transfers when you transfer any interest in the Franchise Agreement or in the proprietorship, partnership, corporation or LLC which owns any interest or assets in the franchise. We will not unreasonably withhold such approval if your transfer meets all of our conditions.
m.	Conditions for Franchisor’s approval of transfer	§ (22)	Your transfer must meet the following conditions: (1) the transferee, including each partner, shareholder or member, must meet our qualifications, (2) you must satisfy all accrued and accelerated money obligations to us, (3) no one may assert a security interest in the franchise, (4) the transferee must sign our then-current Franchise Agreement, including an agreement that payments to us have priority over payments to you (as seller), (5) you must execute a general release of all claims against us at the closing. We may have additional reasonable requirements at the time you decide to sell your business.
n.	Franchisor’s right of first refusal to	§ (22)	We can match any offer.

	acquire Franchisee's business		
o.	Franchisor's option to purchase Franchisee's business upon termination or non-renewal.	§ (24)	We can elect to buy and continue the operation of your OPTIONS franchise if you do not renew or if you terminate the Franchise Agreement.
p.	Death or disability of Franchisee	§ (22)	Franchise must be assigned to an approved successor or buyer within 150 calendar days.
q.	Non-competition covenants during the term of the Franchise	§ (19)	You may not have any interest in any other business which sells or offers to sell substantially similar services and products of the type offered at your OPTIONS franchise.
r.	Non-competition covenants after the franchise is terminated or expires	§ (19)	The restrictions described in (q) above remain effective for 2 years after the Franchise Agreement expires or is terminated, regardless of the cause, except that they do not apply to another business located more than 50 miles from any other OPTIONS business.
s.	Modification of the Franchise Agreement	§ (25)	Generally, there are no modifications unless in writing, signed by both parties. Operations Manual policies and other standards and requirements are subject to change unilaterally by us.
t.	Integration/merger clause	§ (25)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	§ (25)	The parties to the Agreement agree to arbitrate all disputes in Montgomery County, Maryland in accordance with the rules of the American Arbitration Association. Subject to state law.
v.	Choice of forum	§ (25)	Unless prohibited by law, arbitration and litigation must take place in Montgomery County, Maryland, and you must waive your right to a jury trial. Subject to state law.
w.	Choice of law	§ (25)	Unless prohibited by law, Maryland law will apply in any legal action between us and all agreements are interpreted under Maryland law. Subject to state law.

### THE AREA DEVELOPMENT RELATIONSHIP

	Provision	Area Development Agreement Section	Summary
a.	Term of Franchise	§ (3)	The term ends in accordance with the Development Schedule.
b.	Renewal or extension of the term	Not Applicable	Not Applicable
c.	Requirements for	Not Applicable	Not Applicable

	Franchisee to renew or extend		
d.	Termination by Franchisee	Not Applicable	Not Applicable
e.	Termination by Franchisor without cause	Not Applicable	Not Applicable
f.	Termination by Franchisor with cause	§ (7)	We can terminate only if you default. We can terminate the Area Development Agreement if the Franchise Agreement is terminated. Termination of the Area Development Agreement is not cause for terminating the Franchise Agreement.
g.	“Cause” defined: curable defaults	§ (7.3)	We can terminate the Area Development Agreement, at our option, if you fail to cure certain defaults within the time periods set out in Article 7.3 of the Area Development Agreement
h.	“Cause” defined: non-curable defaults	§ (7.2)	We may terminate the agreement if you fail to execute any Franchise Agreement by any Fee Deadline specified in the Development Schedule; you fail to have opened and maintained in continuous operation the minimum number of Options For Senior America Franchised Businesses specified in the Mandatory Development Schedule by any Opening Deadline specified in the Mandatory Development Schedule; if a default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or you breach or otherwise fail to comply fully with any other provision contained in this Area Development Agreement or any other agreement between the Franchisor and/or its Affiliates. However, a default under the Area Development Agreement is not cause for termination of any existing Franchise Agreements
i.	Franchisee’s obligations on termination/non-renewal	§ (7.4)	Upon termination or expiration of your Area Development Agreement, you must immediately cease all development operations and continue to comply with the non-disclosure and non-competition covenants contained in Article 8.
j.	Assignment of contract by Franchisor	§ (6.1)	We have the right to transfer or assign all or any part of our rights and/or obligations to any person or legal entity.
k.	Transfer by Franchisee - defined	§ (6.1)	A transfer includes any direct or indirect sale, assignment, transfer, conveyance, giving away, devise, pledge, mortgage, or other encumbrance of your interest in the Area Development Agreement or any right granted or interest granted therein or thereunder.
l.	Franchisor approval of transfer by Franchisee	§ (6.3)	We have the right to approve all transfers in our sole discretion.
m.	Conditions for Franchisor’s approval of transfer	§ (7.3)	The proposed transferee must be an initial of good moral character and meet our then-current standard for multi-unit franchisee; the proposed transfer must have



			sufficient experience; the proposed transferee must agree to complete all required training; you have paid all amounts owed to us under the Area Development Agreement and all franchise agreements or related agreements between us and your affiliates and any third-party creditors; the transferee has signed our then-current form of Area Development Agreement as required by us; you and the proposed transferee have executed a general release in our favor; you have paid us the transfer fee as required pursuant to your Area Development Agreement.
n.	Franchisor's right of first refusal to acquire Franchisee's business	§ (6.5)	If we elect to purchase an interest under a bona fide offer, the closing will occur within 90 days after the date of our notice to the seller electing to purchase the interest. If we do not elect to purchase such interest within the 30-day period, you may sell or transfer their offered interests to a third party, provided that such sale or transfer: (i) is made within 60 days after we give notice of its election, (ii) is made at a price and on the same material terms as those offered to us, and (iii) is made in full compliance with all applicable requirements of this Agreement.
o.	Franchisor's option to purchase Franchisee's business upon termination or non-renewal.	Not Applicable	Not Applicable
p.	Death or disability of Franchisee	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the Franchise	§ (8)	No involvement in a competing business; cannot assist or deal with a competing business; cannot infringe on another franchisee's territorial rights.
r.	Non-competition covenants after the franchise is terminated or expires	§ (8)	The Agreement may not be modified or amended except by a written instrument signed by each of the parties hereto, expressing such amendment or modification.
s.	Modification of the Franchise Agreement	§ (11.12)	The Agreement may not be modified or amended except by a written instrument signed by each of the parties hereto, expressing such amendment or modification.
t.	Integration/merger clause	§ (11.12)	This Agreement is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, provided that nothing in this Agreement is intended to disclaim the representations made to Developer in Franchisor's Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	§ (10)	Any claim or controversy arising out of or related to this Agreement must be settled by mandatory binding arbitration in Montgomery County, Maryland (subject

			to applicable state law).
v.	Choice of forum	§ (10.5)	Any and all suits, actions, or other proceedings concerning, arising out of, or in connection with this Agreement shall be litigated in courts having a situs within Montgomery County, Maryland (subject to applicable state law).
w.	Choice of law	§ (10.5)	The state of Maryland (subject to applicable state law)

**\*Termination on Bankruptcy**

Under Title 11, United States Code Section 101 et seq. the provision of the Franchise Agreement that terminates your franchise may not be enforceable.

**ITEM 18: PUBLIC FIGURES**

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

**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 franchises and/or franchisor-owned outlets, 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. Other than as indicated below, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 us by contacting Franchisor's Corporate Office, the Federal Trade Commission or any appropriate state regulatory agencies. In this instance, you may contact the following individuals at the Franchisor's Corporate Office: Radhik Patel or Alec Campbell, at 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879 or at 301.562.1100. Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request. You should conduct your own independent investigation as to the potential costs and expenses you might incur in operating your own franchised business.

Excluded from the data shown below in the tables of this section are the Gross Revenues from the 6 company-owned outlets. This data has not been reviewed by an independent certified public accountant.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**Average**  
**Year-End Results for 2021, 2022, 2023, 2024**  
(for franchisees at least 3 years in operation)

	2021	2022	2023	2024
<b>Gross Revenues</b>	\$977,050	\$979,849	\$1,056,261	\$1,153,317
<b>Caregiver Pay</b>	\$501,657	\$524,735	\$541,866	\$608,454
<b>Gross Profit</b>	\$475,393	\$455,114	\$514,395	\$544,863
<b>Gross Profit %</b>	48.7%	46.4%	48.7%	47.24%
<b>Payroll</b>	\$53,799	\$71,492	\$113,802	\$125,005
<b>Advertising</b>	\$11,475	\$8,417	\$6,443	\$9,465
<b>Insurance</b>	-\$1,529	-\$3,362	\$288	\$10,866
<b>Rent</b>	\$14,247	\$15,440	\$15,324	\$10,855
<b>Royalties</b>	\$50,088	\$46,083	\$48,632	\$51,386
<b>Other Expenses</b>	\$32,366	\$25,117	\$18,104	\$26,172
<b>EBITDA <sup>(4)</sup></b>	\$314,947	\$291,928	\$311,802	\$311,113
<b>EBITDA % <sup>(4)</sup></b>	32.2%	29.8%	29.5%	26.98%

**Median**  
**Year-End Results for 2021, 2022, 2023, 2024**  
(for franchisees at least 3 years in operation)

	2021	2022	2023	2024
<b>Gross Rev.</b>	\$705,316	\$737,338	\$1,058,735	\$785,428
<b>Caregiver Pay</b>	\$342,540	\$384,033	\$523,461	\$424,620
<b>Gross Profit</b>	\$369,347	\$354,586	\$482,088	\$360,808
<b>Gross Profit %</b>	52.4%	48.1%	45.5%	45.94%
<b>Payroll</b>	\$60,589	\$64,294	\$112,926	\$96,229
<b>Advertising</b>	\$5,694	\$5,762	\$5,271	\$8,580
<b>Insurance</b>	-\$1,818	-\$4,626	\$500	\$11,502
<b>Rent</b>	\$14,122	\$15,181	\$14,591	\$10,250
<b>Royalties</b>	\$40,116	\$31,427	\$43,275	\$43,197
<b>Other Expenses</b>	\$27,637	\$22,801	\$14,326	\$25,880
<b>EBITDA <sup>(4)</sup></b>	\$227,033	\$228,040	\$265,352	\$165,171
<b>EBITDA % <sup>(4)</sup></b>	32.2%	30.9%	25.1%	21.03%

**Some outlets earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

Definitions applicable to the tables shown in this section:

- (1) Gross Revenues is the total cash receipts derived from the sales of homecare services, less discounts, and returns.
- (2) Average, also known as the "mean", is equal to the sum of all data points in a set, divided by the number of data points in that set.
- (3) Median is the data point that is in the center of all data points used. In the event the number of

data points is an odd number, the median will be the center number. If the data set contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

(4) EBITDA includes owner income

Other than the financial performance representations set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Eric Gagnon at 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137 and (404) 800-6700, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

No franchisees have signed confidentiality clauses, during the last 3 years, restricting their ability to speak openly about their experience with OPTIONS Franchising Company. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Table 1  
**System-Wide Outlet Summary**  
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	11	13	+2
	2023	13	11	-2
	2024	11	18	+7
Company- Owned	2022	6	7	+1
	2023	7	7	0
	2024	7	7	0
Total Outlets	2022	17	20	+3
	2023	20	18	-2
	2024	18	25	+7

Table 2  
**Transfer of Outlets from Franchisees to New Owners (Other than Franchisor)**  
For Years 2022 to 2024

States	Year	Number of Transfers
All	2022	2
	2023	2
	2024	0

Table 3  
**Status of Franchised Outlets**  
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
Florida	2022	1	0	0	0	0	0	1
	2023	1	1	1	0	0	1	0
	2024	0	1	0	0	0	0	1
Georgia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Indiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Louisiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Michigan	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
North Carolina	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylvania	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	4	0	0	0	0	4
Virginia	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Total	2022	11	2	0	0	0	0	13
	2023	13	1	2	0	0	1	11
	2024	11	7	0	0	0	0	18

Table 4  
**Status of Company-Owned Outlets**  
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Maryland	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
Pennsylvania	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Virginia	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Total	2022	9	0	0	2	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7

Table 5  
**Projected Openings By 12-31-2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Florida	0	1	0
Other States	0	2	0
Total	0	3	0

Exhibits E contain a list of operational franchisees and any that left our system.

No franchisees have signed confidentiality clauses during the last 3 years, restricting their ability to speak openly about their experience with OPTIONS Franchising Company. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

## **ITEM 21: FINANCIAL STATEMENTS**

Our audited financial statements are attached to this Disclosure Document as Exhibit F. These statements cover fiscal years ending December 31, 2022, 2023, and 2024.

Our fiscal year end is December 31<sup>st</sup>.

## **ITEM 22: CONTRACTS**

The following agreements are attached as Exhibits to this Disclosure Document:

- EXHIBIT A: Franchise Agreement
- EXHIBIT B: Area Development Agreement
- EXHIBIT H: Application for Franchisee
- EXHIBIT I: Franchisee Acknowledgement Statement

### **ITEM 23: RECEIPT**

The last page of this Disclosure Document (**Exhibit J**) acknowledges receipt of this entire document (including the exhibits). Please sign and return to us one copy and keep another copy along with this Disclosure Document

**EXHIBIT A**  
**FRANCHISE AGREEMENT**





Options Franchising, LLC  
Franchise Agreement

---

Name of Franchisee

---

Date of Agreement

---

Location of Franchised Office

## Table of Contents

<b>ARTICLE 1 .....</b>	<b>5</b>
<b>FRANCHISEE’S ACKNOWLEDGEMENT OF BUSINESS RISK, AND ABSENCE OF GUARANTEE .....</b>	<b>5</b>
<b>ARTICLE 2 .....</b>	<b>5</b>
<b>FRANCHISEE’S ACKNOWLEDGEMENT CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT .....</b>	<b>5</b>
<b>ARTICLE 3 .....</b>	<b>6</b>
<b>PROJECTED OR FORECASTED FRANCHISE SALES, EARNINGS, AND/OR PROFITS .....</b>	<b>6</b>
<b>ARTICLE 4 .....</b>	<b>6</b>
<b>INDEPENDENT CONTRACTOR .....</b>	<b>6</b>
<b>ARTICLE 5 .....</b>	<b>7</b>
<b>GRANT OF FRANCHISE .....</b>	<b>7</b>
<b>ARTICLE 6 .....</b>	<b>8</b>
<b>EXCLUSIVE AREA OR TERRITORY .....</b>	<b>8</b>
<b>ARTICLE 7 .....</b>	<b>10</b>
<b>TERM AND RENEWAL OF AGREEMENT .....</b>	<b>10</b>
<b>ARTICLE 8 .....</b>	<b>10</b>
<b>FRANCHISEE’S INITIAL INVESTMENT .....</b>	<b>10</b>
<b>ARTICLE 9 .....</b>	<b>11</b>
<b>FRANCHISEE’S INITIAL FRANCHISE FEE .....</b>	<b>11</b>
<b>ARTICLE 10 .....</b>	<b>11</b>
<b>ROYALTIES .....</b>	<b>11</b>
<b>ARTICLE 11 .....</b>	<b>13</b>
<b>FINANCING ARRANGEMENTS .....</b>	<b>13</b>
<b>ARTICLE 12 .....</b>	<b>13</b>
<b>GENERAL OBLIGATIONS OF FRANCHISEE .....</b>	<b>13</b>
<b>ARTICLE 13 .....</b>	<b>16</b>
<b>SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INSURANCE COVERAGE .....</b>	<b>16</b>
<b>ARTICLE 14 .....</b>	<b>18</b>
<b>SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS .....</b>	<b>18</b>
<b>ARTICLE 15 .....</b>	<b>19</b>
<b>SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USE OF NAMES AND TRADEMARKS .....</b>	<b>19</b>
<b>ARTICLE 16 .....</b>	<b>22</b>
<b>SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION .....</b>	<b>22</b>
<b>ARTICLE 17 .....</b>	<b>25</b>
<b>SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS, AND LAWSUITS .....</b>	<b>25</b>
<b>ARTICLE 18 .....</b>	<b>26</b>
<b>SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INDEMNIFICATION .....</b>	<b>26</b>
<b>ARTICLE 19 .....</b>	<b>26</b>
<b>MISCELLANEOUS COVENANTS OF FRANCHISEE .....</b>	<b>26</b>
<b>ARTICLE 20 .....</b>	<b>29</b>
<b>OBLIGATION OF THE FRANCHISOR: SUPERVISION AND ASSISTANCE .....</b>	<b>29</b>
<b>ARTICLE 21 .....</b>	<b>30</b>
<b>VARYING STANDARDS .....</b>	<b>30</b>
<b>ARTICLE 22 .....</b>	<b>30</b>
<b>SALE OF FRANCHISE .....</b>	<b>30</b>

<b>ARTICLE 23</b> .....	33
<b>TERMINATION OF FRANCHISE</b> .....	33
<b>ARTICLE 24</b> .....	36
<b>FRANCHISEE’S OBLIGATIONS UPON TERMINATION OR EXPIRATION</b> .....	36
<b>ARTICLE 25</b> .....	38
<b>ENFORCEMENT</b> .....	38
<b>ARTICLE 26</b> .....	41
<b>APPROVALS AND WAIVERS</b> .....	41
<b>ARTICLE 27</b> .....	42
<b>AUTHORITY</b> .....	42
<b>ARTICLE 28</b> .....	42
<b>NOTICES</b>	42

**Exhibits:**

Exhibit A	Guaranty of Obligations
Exhibit B	Non-Disclosure and Non-Compete Agreement
Exhibit C	Release Agreement
Exhibit D	Second Territory Addendum & Agreement
Exhibit E	Authorization For Repeating Electronic Funds Withdrawls
Exhibit F	Collateral Assignment Of Franchisee's Telephone Numbers, Addresses, And Listings

**Schedules:**

Schedule 1	Initial Franchise Fee
Schedule 2	Franchised Territory, “Accepted Location”
Schedule 3	Royalty Fees
Schedule 4	Franchisee Contact Information
Schedule 5	Notices

## **Franchise Agreement**

This Franchise Agreement (Agreement) is entered into between OPTIONS FRANCHISING COMPANY, a Maryland Limited Liability Company, hereinafter known as OPTIONS, our, us, we, Franchisor or Franchiser whose address is 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, and the persons or legal entities signing as Franchisee, you or your, and whose name is at the bottom of this agreement referenced to herein individually or collectively as you, your or Franchisee to evidence the agreements and understanding between the parties as follows:

### **Disclosure**

We the Franchisor, have developed methods for establishing, operating, and promoting a unique SYSTEM, or business program with proprietary methods which we have the right to license, and we grant the right to others to operate Franchised Businesses under the Marks and pursuant to the Licensed Methods. This system, which is owned by us, entitles the Franchisee to operate a home health care service business under the trademark Options For Senior America hereinafter referred to as OPTIONS; and

We the Franchisor have developed certain operating policies and procedures including trade secrets, knowledge, training, confidential information, logos, marketing methods, proprietary software information systems and technology for the operation of an OPTIONS franchise.

This SYSTEM includes operational assistance, advertising and other benefits of being a Franchisee under the OPTIONS system which may be changed, and improved intermittently; and

We the Franchisor have the exclusive rights to license the SYSTEM through the granting of franchises. We the Franchisor have developed and will continue to develop, and change our system with additional and/or different services. The OPTIONS System provides uniform methods of successful operating methodology using the distinctive Trademark and Service Mark and other distinguishing characteristics, designed and developed by us; and

We, the Franchisor known as OPTIONS continue to develop, use, and control the Trademark OPTIONS and associated logos (referred to as the Marks) to identify for the public the source of services and products marketed under our System. We have established substantial goodwill and business value in the Names and Marks, and expertise of our System; and

We the Franchisor, subject to the requirements of the Franchise Agreement, will train you to operate a franchised OPTIONS franchise. You will operate your franchise from your new office. We will train you in the basics of our system. Good judgment and reliability are our corner stone, as we do require a positive attitude and sense of urgency, along with great work ethic to achieve the desired results. You agree to operate your Franchised Business in a manner that conforms to our standards. The market for our service is well established and continues to grow. You will market your services to the adult population, discharge planners and social workers in different health care institutions such as hospitals, assisted living facilities, rehabilitation centers and others, who hear about your services from advertising as well as others who learn about your services through referrals, etc. Your competitors will include other companies who provide home health care services, and

You acknowledge that the System will continue to evolve in order to reflect changing market conditions and to meet new and changing consumer demands, and that variations and additions to the System may be required in order to ensure continuing operational efficiency and uniformity; and

You desire to acquire a franchise to use our Names and Marks as a Franchisee of our System; and

You recognize the benefits to be derived from being identified with and licensed by OPTIONS to operate an OPTIONS Franchise; and

You represent that you are free to enter into this Agreement and that this engagement does not violate the terms of any agreement between you, the Franchisee, and any third party.

NOW, THEREFORE, in consideration of the foregoing disclosures we agree to grant you a franchise to use our system, governed by the terms and conditions contained in this Agreement, and you acknowledge that you are legally bound, and you do hereby agree as follows:

## **ARTICLE 1**

### **FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK, AND ABSENCE OF GUARANTEE**

Franchisee (and each partner or shareholder if Franchisee is a partnership or corporation) declares that he or she has conducted an analysis of the Franchisor's business (the System) and recognizes that the business venture considered by this Agreement involves risks and that its success will depend upon Franchisee's abilities as an independent business person or entity, as well as the general economic and industry trends and other local marketing conditions. OPTIONS expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential profits or success of the business considered by this Agreement. We do not imply or warranty that you will reach profitability by any particular time or that you will be profitable at any time.

## **ARTICLE 2**

### **FRANCHISEE'S ACKNOWLEDGEMENT CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT**

Franchisee acknowledges having received, read, and understood this Agreement, including the Franchise Disclosure Document and any attachments, addendums, and exhibits. Franchisee further acknowledges that Franchisee has had ample time and opportunity to consult with legal counsel of its own choosing concerning the potential benefits and risks of entering into this Agreement.

Franchisee further acknowledges that:

- he/she has received a completed copy of this Agreement and attachments, addendums, and exhibits, as required by the Trade Regulation Rule of the Federal Trade Commission, entitled "Information for Prospective Franchisees" Required by the Federal Trade Commission, at least ten (10) business days prior to the date on which this Agreement was signed.
- any statements, whether oral or written, by Franchisor or its agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty. The only representations, warranties and obligations of OPTIONS are those specifically set forth in the Franchise Disclosure Document and this Agreement.

- Franchisor will not provide, but must approve, designated locations for Franchisee, and Franchisor has made no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Franchise.

### **ARTICLE 3**

#### **PROJECTED OR FORECASTED FRANCHISE SALES, EARNINGS, AND/OR PROFITS**

The Franchisor does not make or present earning claims and has not made any earnings claims in any exhibits in this Agreement, nor in any exhibits to the Franchise Disclosure Document.

Each party executing this document acknowledges that OPTIONS has not itself or through any employee or agent, made oral or written, expressed or implied representations concerning the likelihood of success that Franchisee might expect to achieve from operating the Franchise (Business), except as set forth in the Disclosure Document and Franchise Agreement.

Note: All amounts other than the Initial Franchise Fee and Royalties are approximate and represent best estimates of beginning expenditures. We do not guarantee that you will not incur greater startup expenses than estimated in this Agreement.

### **ARTICLE 4**

#### **INDEPENDENT CONTRACTOR**

##### **4.A. Franchisee is an Independent Contractor**

Franchisee shall hold itself out to the public as an independent contractor. The parties agree that each of them is an independent business and that their only relationship is by virtue of this Agreement. The Franchisee is and will remain a Franchisee in their relationship to OPTIONS. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that neither of them will hold themselves out to be the agent, employer or partner of the other and that neither of them has the authority to bind or incur liability on behalf of the other. The Franchisee shall have no claim against the Franchisor hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. Franchisee agrees to display notices that clearly identify the Franchise as being independently owned and operated by the Franchisee. As an example, such notices shall be provided on letterhead, business cards, bank account names, checks, and signs at the place of business.

The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee's property, the Franchised Business or upon the Franchisor in connection with the sales made or business conducted by the Franchisee.

##### **4.B. Franchisor Is Not In a Fiduciary Relationship with Franchisee**

Franchisee understands and agrees that this Agreement does not constitute a fiduciary relationship between Franchisee and Franchisor. Franchisee further agrees that nothing in this Franchise Agreement is to be construed as making either party an agent, legal representative, subsidiary, joint venture, partner, or employee of the other.

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty, or representation expressed or implied on behalf of OPTIONS, or to incur any debt or other obligation in the name of OPTIONS. OPTIONS shall in no event assume liability for, or be deemed liable as a result of any such action; nor shall OPTIONS be liable by reason of any act of commission or omission of Franchisee in its conduct of the Franchised Business or for any claim or judgment arising thereof against Franchisee or Franchisor.

## **ARTICLE 5**

### **GRANT OF FRANCHISE**

In consideration of the payment of the Initial Franchise Fee as set forth in the attached Addendum, Schedule 1, Franchisor hereby grants to Franchisee, subject to the terms of the Franchise Agreement, the right, license, and privilege, to operate an **OPTIONS** Franchise in the Territory and Location defined in the attached Addendum, Schedule 2, (the "Accepted Location"), and you the Franchisee accepts this franchise under the terms and conditions set forth herein for the right to use therewith the Franchisor's Names and Trademarks, and Franchisor's System of advertising, operation, assistance, and advice as it may be changed, improved and further developed over a period of time at the Accepted Location (see attached Addendum, Schedule 2) and provided the Franchisee shall adhere to the terms and conditions stated in this Agreement.

Franchisee acknowledges that the consideration for the payment of the Initial Franchise Fee shall have been fully earned by Franchisor upon the execution of this Agreement, and, except as may be hereinafter set forth, in the event of any termination or cancellation of this Agreement for any reason whatsoever. Franchisor in addition to any other rights or remedies it may have shall be entitled to retain or receive the entire Initial Franchise Fee as liquidated damages.

The Franchisee acknowledges that the franchise granted hereunder is non-exclusive and that the Franchisor retains the rights, among others, to use, and to license others to use, the Marks and Licensed Methods at any location other than at the Franchised Location. Furthermore, each individual Franchisee, or each owner of Franchisee if Franchisee is an entity, represent that they have completely and truthfully completed all personal financial statements, resumes, authorizations for background checks, and other documents provided by Options to Franchisee to complete prior to the date of this Agreement; and each acknowledge that Options has relied on such information in awarding a franchise to Franchisee.

By executing this Agreement, Franchisee has the right to:

- a. Utilize the plans, practices, procedures, and methods of Options, all of which may be improved, further developed or modified by Options from time-to-time, in the operation of an Options For Senior America franchise;
- b. Utilize the trade name "Options For Senior America" and the service mark of Options associated with such trade name, and such other trademarks, service marks, trade names and logos as Options may designate in writing from time-to-time; and

- c. Operate an Options For Senior America franchise for the sole purpose of providing personal care services, companionship, and skilled nursing care (where allowed by the jurisdiction in question) utilizing Home Health Aides, Certified Nursing Assistants, Geriatric Nursing Aides, companions, Registered Nurses, and Licensed Practical Nurses. Such services are typically provided directly to individuals, and to other health care providers and facilities.

Franchisee hereby acknowledges that, as a result of differences in market conditions, demographics, business and financial circumstances and other factors applicable to Options' various franchisees and franchise markets, maintaining complete uniformity among its Options franchisees may not be possible or practical. Accordingly, Franchisee hereby acknowledges Options' right, at any time and in Options' sole discretion, to authorize variations in the plans and procedures of Options for one or more of its Options For Senior America franchisees. In the event that Options elects to authorize any variation to one or more of its franchisees, Franchisee shall not be entitled to require Options to grant the same or a similar variation to Franchisee.

Franchisee does not have the right to sub-franchise or sub-license any of your rights granted in this Agreement.

## **ARTICLE 6**

### **EXCLUSIVE AREA OR TERRITORY**

#### **6.A. Location Of Franchise, And Exclusive Area Or Territory**

The rights that are hereby granted to the Franchisee are to operate the Options For Senior America Business from the location set forth in Schedule 2 (Franchised Territory, "Accepted Location"). This location must be in your Exclusive Territory ("Exclusive Area", or "Territory") and cannot be transferred to an alternative Franchise Location, or any other location, without the prior written approval of the Franchisor. Permission to relocate shall not be unreasonably withheld; provided, however, the Office Location must remain in the Territory. Franchisee shall not operate another Options Business or offer services that are part of the Licensed Methods from any location other than the Office Location, except with the prior written approval of Options. Franchisor shall not permit, establish, or license another individual or entity to establish an Options Business within your Territory provided Franchisee is in full compliance with this Agreement.

Your Territory covers a geographic area as identified and described in the attached Addendum, Schedule 2. Franchisee may contact referral sources and advertise outside the Territory, but Franchisee shall not provide any home care services or provide other services and products to any persons residing outside of Franchisee's Territory unless Options approves it in writing. If Franchisee receives approval and provides services to clients outside the Territory, and if another Options Business becomes established in the area where the out-of-Territory clients are located, then Franchisee shall promptly refer and transfer such clients to the newly established business.

Franchisee shall comply with any written policies that Options may establish from time to time describing guidelines and practices for referral of home care services to other Options franchisees, and similar issues. Options determination on services to clients outside your Territory will be binding on Franchisee and



under no circumstances will Options be liable to Franchisee for violations of Options policies on home care services to clients outside of the Business Territory by other Options Franchisees. Furthermore, Options' acceptance of Royalty and other payments based on services provided to clients outside the Territory does not constitute approval by Options of services provided to clients outside the Territory. During the term of this Agreement, Franchisor shall not establish, nor license, another party or entity to establish an **OPTIONS** Franchise within the protected territory.

You may not solicit business to established clients of other franchisees within our franchise chain or within the territory assigned to another franchisee. You may market your services to anyone in your Exclusive Territory via mass mailing, radio, television, or billboard ads. You may sell your services to all potential clients who request them from you on the condition that such services are rendered within your Exclusive Territory.

The Franchisee agrees at all times to faithfully, honestly and diligently perform the Franchisee's obligations hereunder, and Franchisee shall complete the opening of the Business in accordance with the provisions and requirements of this Agreement. Unless otherwise agreed in writing by the Franchisor and the Franchisee, the Franchisee has a maximum of 6 (six) weeks from the date of this Agreement, or 3 (three) weeks after completing the franchise Initial Training, whichever is the earlier date, to complete the opening of the Franchise for business (the "Opening Date"). The Franchisor will extend the time in which the Franchisee has to commence operations for a reasonable period of time in the event factors beyond the Franchisee's reasonable control prevent the Franchisee from meeting this development schedule, so long as the Franchisee has made reasonable and continuing efforts to comply with such development obligations and the Franchisee requests, in writing, an extension of time.

Franchisee shall cooperate reasonably with Franchisor to ensure that the various actions occur which are necessary to obtain acceptance by Franchisor of the Business location.

## **6.B. Minimum Sales Requirements**

Franchisee's right to continue operating an OPTIONS franchise and to maintain the exclusivity of his/her Territory requires that Franchisee attain and maintain, at a minimum, the following sales levels ("Minimum Sales Requirements"). Following the Effective Date of the Franchise Agreement and during the years indicated below, Franchisee must achieve and maintain the following Minimum Sales Requirements:

2 <sup>nd</sup> year	average of \$15,000/month
3 <sup>rd</sup> year	average of \$20,000/month
4 <sup>th</sup> year	average of \$25,000/month
5 <sup>th</sup> year	average of \$35,000/month
6 <sup>th</sup> year and for the remainder of the term of the Franchise Agreement	average of \$45,000/month

If Franchisee fails to meet Minimum Sales Requirements, Franchisor may reduce the size of the Territory, license someone else to establish a Business in the Territory, or terminate the Franchise Agreement, following a cure period.

## **ARTICLE 7**

### **TERM AND RENEWAL OF AGREEMENT**

The Franchise is granted to you for an initial term of **TEN** years (**10**) from the date that this Agreement (the "Agreement") is executed. Franchisee has the option to renew this Agreement as hereinafter indicated, but subject to Franchisee's complete and continuing performance of all of its covenants and obligations hereunder.

At the end of the initial term hereof the Franchisee shall have the option to renew its franchise rights for one (1) additional period of **TEN** years (**10**) if Franchisor is still offering franchises at this time, and further subject to the following conditions, all of which must be met prior to renewal:

1. You shall give the Franchisor written notice of your intent to renew not less than **THREE (3)** months prior to the end of the then-current term;
2. You must have complied with all provisions of this Agreement during the current term, including the payment on a timely basis of all Royalties and other fees due hereunder; not be in default under any provision of this Agreement, and shall have complied with all the terms and conditions of all agreements during the terms thereof;
3. You shall have satisfied all monetary obligations owed by Franchisee to Franchisor and executed a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor arising out of or relating to this Agreement;
4. You shall execute, before the renewal term, the Franchisor's then-current form of the Franchise Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement;
5. You shall pay Franchisor a franchise renewal fee of **\$5,000**. You must sign the current Franchise Agreement then being used by us; however, you will not be required to satisfy the Initial Franchise Fee which the then-current franchise agreement may require.

At the end of the **TEN (10)** year renewal term (20 years since the establishment of your franchise), you shall have no further rights to lengthen or continue the franchise granted pursuant to this agreement without satisfying or paying the then-current Initial Franchise Fee.

## **ARTICLE 8**

### **FRANCHISEE'S INITIAL INVESTMENT**

The Franchisee's initial investment will vary depending upon the size of the Business, its geographical location, leasehold improvements required, and other factors.

We do not guarantee that you will not incur greater startup expenses than those estimates shown in the Franchise Disclosure Document. Franchisee hereby certifies that he or she has reviewed the above-estimated start-up costs and has sufficient cash resources available to meet said expenses. All amounts other than the Initial Franchise Fee are approximate and represent best estimates of beginning expenditures. The estimates will vary depending upon the location and size **OF THE OFFICE**, and other

factors over which we have no control.

These are our best estimates at the time of preparation of this document. We caution you to investigate independently the expenses not paid directly to us. Startup costs may vary based on desired size of location, amount of supplies, etc. Capital requirements may need to be adjusted as necessary. You should also have adequate funds available to cover living expenses in addition to adequate operating capital. The amount necessary shall vary according to your personal needs. We do not imply or warranty that you will reach profitability by any particular time.

## **ARTICLE 9**

### **FRANCHISEE'S INITIAL FRANCHISE FEE**

In consideration for the right to develop and operate one OPTIONS Franchise, the Franchisee agrees to pay to the Franchisor an initial franchise fee (the "Initial Franchise Fee") as indicated in the attached addendum, Schedule 1. This fee must be paid to us in a lump sum when the Franchise Agreement is signed. The Franchisee acknowledges and agrees that the initial franchise fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that the Franchisor has earned the initial franchise fee upon receipt thereof, and that the fee is under no circumstances refundable to the Franchisee. After this fee is paid it shall be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost opportunity to franchise others.

Franchisor, within **FIFTEEN (15)** business days of payment of the Initial Franchise Fee, shall approve or disapprove the Franchisee's application for a franchise. If Franchisee is disapproved, the deposit provided will be refunded in full.

## **ARTICLE 10**

### **ROYALTIES**

In addition to the Initial Franchise Fee described in Section 9 above, the following recurring fees (payments) are required to be made by the Franchisee.

#### **10.A. Continuing Royalty Fee**

During the term of this Agreement, Franchisee shall pay to Franchisor a continuing Royalty fee (the "continuing royalty"), as indicated in the attached Addendum, Schedule 3. This fee is a percentage of Gross Sales which are defined as all cash receipts (cash, checks, credit card payments, electronic fund transfers, etc.) of every kind and nature made from the operation of the franchise, less applicable client refunds.

A report of monthly Gross Sales will be made available by you to us by no later than the 7<sup>th</sup> of each month reporting the total gross revenues of the previous month thus enabling us to debit your bank account through an Electronic/ACH Fund Transfer with the amount of the applicable royalty fee by the 15<sup>th</sup> of the month. If the 7<sup>th</sup> of the month falls on a holiday or a weekend, then the report will be due on the following business day.

Similarly, if the 15<sup>th</sup> of the month falls on a holiday or a weekend, then the electronic fund transfer will

occur on the following business day.

Any payment or report not actually received by Franchisor on or before the specified date shall be deemed overdue. If any payment is overdue, in addition to the right to exercise all rights and remedies available to Franchisor under this Agreement, Franchisee shall be charged 1.5% interest per month until paid in full, and a \$25 late payment fee.

By signing this Agreement, the Franchisee authorizes the Franchisor to initiate debit entries and/or credit correction entries to the Franchisee's checking account related to the Authorization of Prearranged Payments, and authorize the depository named to debit such account pursuant to the Franchisor's instructions. This authority is to remain in full force and effect until Depository has received joint written notification from the Franchisor and the Franchisee of the Franchisee's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it.

### **10.B. Continuing Marketing Fee**

During the term of this Agreement, Franchisee shall pay to Franchisor a continuing marketing fee (the "Continuing Marketing Fee") equal to 1.5 % (one- and one-half percent) of the monthly Gross Sales generated by your Options For Senior America franchise, or \$200 per month whichever is greater. "Gross Sales" is defined as in section 10.A above. We must receive your payments on or before the 15<sup>th</sup> of the month for the previous month. Franchisor has the right to approve all advertising material prior to its use.

Franchisee shall not use, display, publish, broadcast, or in any manner disseminate any advertising or promotional material unless the same has been first approved in writing by Franchisor. In the event that Franchisor from time to time furnishes to Franchisee any advertising, promotional or informational materials to be used, displayed, or distributed in or about the PREMISES, Franchisee agrees to follow the instructions of Franchisor in connection therewith.

Franchisor shall oversee all advertising and promotional programs and shall have the sole discretion to approve or disapprove materials.

### **10.C. Continuing Technology Fee**

During the term of this Agreement, Franchisee shall pay to Franchisor a continuing technology fee. This Technology Fee includes four Options domain email addresses hosted on Microsoft Exchange and four licenses to Microsoft 365 Business Basic plan. The Technology fee also includes on-going IT support and the use of QuickBooks which integrates with our preferred homecare agency management system, AxisCare. You are required to use the version of QuickBooks as provided to you by the franchisor. This fee is independent of the franchise's level of gross sales.

The above three ongoing fees (Royalties, Marketing, and Technology Fee) may be waived for the first two months from date of completing the 5-day Initial Training. Alternatively, the franchisee may choose to be charged royalties for these first two months and receive \$3,000 in cash (\$1,500/month for these first two months) from the franchisor.

## **ARTICLE 11**

### **FINANCING ARRANGEMENTS**

Franchisee hereby acknowledges that financing is the strict and direct responsibility of the Franchisee. At the request of the Franchisee, the Franchisor may offer to introduce Franchisee to Franchisor's financial institution, PNC Bank, to potentially facilitate the financing needs of the Franchisee. PNC Bank has worked closely with Options Franchising Company and is knowledgeable of Franchisor's business. Franchisor does not in any way guarantee financing to the Franchisee. If such request is made by the Franchisee and Franchisor agrees to offer such assistance, Franchisee acknowledges that Franchisor is doing so as a courtesy to Franchisee, and that Franchisee will remain directly responsible to finance his/her needs and guarantee the obligations of the Franchisee.

The Franchise Fee is due and payable upon the execution of this Agreement.

There are no waivers of defense by the Franchisee in either the Franchise Agreement or other documents evidencing obligations to the Franchisor. Franchisee acknowledges that it is not implied anywhere in this Agreement that Franchisor will accept payments after they become due or that Franchisor might extend credit to, or otherwise finance Franchisee's operation of the Franchised Business. Further, Franchisee acknowledges that Franchisee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

## **ARTICLE 12**

### **GENERAL OBLIGATIONS OF FRANCHISEE**

In order to build the high quality standards of the franchise and to protect Franchisor's goodwill and reputation, Franchisee agrees to:

- deal fairly and honestly with the public and with Franchisor;
- honor and comply with all the terms of all advertising placed by Franchisor;
- devote best efforts and full and exclusive time to the day-to-day operations and development of the franchise and the business of Options For Senior America;
- operate the business exclusively under the Options For Senior America name, signage, and system as provided by this Agreement;
- keep the Options For Senior America franchise office open for business the minimum number of days and weeks and hours per day prescribed by the Franchisor from time to time; (currently set from 8:30 AM to 5:00 PM, Monday through Friday, except for Federal Holidays).
- keep and maintain the PREMISES and its appearance in a clean and orderly manner consistent with the operation of a first-class home care business and at the directives of Franchisor deemed by it to be necessary to protect the standards of quality and uniformity of the business and the SYSTEM;
- comply at all times with all federal, state, county, city and other local laws, regulations and ordinances;
- register the name Options For Senior America (i.e., the name of your company, dba Options For Senior America) in accordance with applicable local, state or provincial laws and operate the

Options For Senior America franchise under the name Options For Senior America and under no other name, and use and display the Options For Senior America names and marks prominently in such manner as may from time to time be directed in writing by Franchisor and not use or prominently display any other trade name, trademark, service mark or other designation during the term of this Agreement;

- permit Franchisor's representatives during business hours to inspect the PREMISES, confer with Franchisee and Franchisee's employees and customers, check methods of operation, books and records, and perform any other inspection deemed by Franchisor to be necessary to protect the standards of quality and uniformity of the SYSTEM and Franchisee's performance under this Agreement;
- submit to Franchisor's uniform reports on a periodic basis as required by Franchisor, and in accordance with the procedures set forth during training, and in this Agreement;
- maintain a system of bookkeeping and record keeping approved by Franchisor. Keep books and records at the business address at all times and make them available during business hours to authorized representatives of Franchisor for the purpose of verifying the accuracy of Franchisee's weekly and/or monthly sales reports. If such verification reveals that the Gross Sales reported by Franchisee to Franchisor are more than seven (7%) percent less than Franchisee's actual Gross Sales, Franchisee shall reimburse Franchisor for all expenses connected with such verification, including, without limitation, travel, lodging, wage expenses, and reasonable accounting and legal costs, and Franchisee shall pay to Franchisor immediately any delinquent Royalties, together with the maximum rate of interest allowed by law, calculated from the date when such Royalties would have been paid to the date of actual payment;
- expend at least 1% of gross sales, but not less than \$1,000 per month, on advertising in print media, digital media including the internet, pay-per-lead programs, and pay-per-portal programs, and other means such as billboards, radio, TV, etc. Furthermore, it is recommended that franchisees spend up to 3% of their gross sales on such advertisements. This requirement and recommendation exclude expenditures for marketing materials, and fees paid to A Place For Mom or similar paid referral sources;
- use only signage, graphics, and colors on and in the PREMISES that conform to Franchisor's then-current standard signage, colors, and graphics. Signage, graphics and colors not conforming to Franchisor's standards must be approved by Franchisor, in writing, before they can be displayed or used in or on the PREMISES.

You agree to execute any documents needed to accomplish payment by electronic fund transfer to make any payments due us.

## **12.A. Maintain Confidentiality of Proprietary Information**

The Franchisee agrees that they will not disclose any Proprietary Information, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of operating the Franchised Business. All files, records, documents, blueprints, specifications, information, letters, notes, media lists, original artwork, marketing lists, advertising files and records, notebooks, testimonials, photos, videos, and similar items relating to the Franchised Business whether prepared by the Franchisee or otherwise coming into their possession, shall remain the exclusive intellectual property of **OPTIONS**. Any information known by Franchisee about Franchisor's business and product processes, methods, customer lists, accounts, procedures, marketing, merchandising

or selling shall be considered Proprietary Information and may not be disclosed. Franchisee shall not, except for the duties premeditated by this Agreement, disclose or use any Proprietary Information whether during the terms of this Agreement or after this Agreement.

### **12.B. Open Business within Time Limit**

Franchisee shall, prior to opening, complete to Franchisor's satisfaction all preparations for opening the Business. Franchisee shall, in accordance with instructions and guides set forth in the Operating Manual and as required by local government agencies, install fixtures, furnishings, and equipment, and have the needed supplies, and inventory. Franchisee shall open their new office within a 6 (six) week period from the date of signing this Agreement, or a 3 (three) week period from the completion of your Initial Training, whichever is the earlier date, or once you have completed any regulatory requirements that may extend beyond that time, if such requirements are necessary to providing companionship services. Taking more than this period of time to open Franchisee's new office may become a reason for the Franchisor to terminate this Agreement.

### **12.C. Obtain License as Required by the State's Regulatory Bodies**

Many states require a license to provide personal care services in the homes of patients. Some even require a license for the Franchisee to provide companionship services. It is the responsibility of Franchisee, with guidance by the Franchisor, to identify such licensing requirements and obtain said license(s) in a timely manner. The majority of these licenses expire in one or two years from the date of issuance. In the event that you are required to obtain a home care license to operate your business and you do not secure such a license within 6 months from the date you sign this Franchise Agreement, the Franchisor has the right to terminate your Franchise Agreement. Furthermore, once the franchise obtains the required license(s), it remains the franchise's responsibility to remain knowledgeable of all changes in your jurisdiction's regulations so that the franchise will remain compliant with all requirements at all times.

Franchisee shall submit a copy of their regulatory license to Franchisor. Each year, copies of this license shall be sent to Franchisor no later than one calendar week from the date such license expires.

### **12.D. Use Approved Supplies and Products**

Franchisee shall only sell, provide, or otherwise disburse only OPTIONS, services, products, and items. Franchisee must sell or provide only proprietary services/products listed in the Operations Manual, or its addendums. The "Services" and/or "Proprietary Products" developed by Franchisor are the only services and items approved for use by Franchisee.

Franchisor reserves the right to require Franchisee to purchase designated proprietary items, and products from Franchisor. Franchisor will outline in the Manual the items and products Franchisee must purchase from Franchisor. These items may change from time to time. Franchisor may also publish in The Operating Manual which affiliated entities or outside sources may be used to acquire these products or items to the extent permitted by law.

### **12.E. Full-Time Manager Required**

Franchisee agrees to manage the Business him/herself, or maintain a fully trained Manager. Franchisee

will also take all such steps as are necessary to ensure good customer relations.

## **12.F. Training**

Prior to Franchisee's opening of the Business to the public, Franchisee shall complete, to **OPTIONS'** satisfaction, the training program offered by **OPTIONS**.

## **ARTICLE 13**

### **SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INSURANCE COVERAGE**

#### **13.A. Overall Insurance Coverage Required**

Franchisee shall purchase, prior to opening the Business, and shall maintain in full force during the term of this Agreement at Franchisee's expense, an insurance policy or policies protecting Franchisee and Franchisor, its officers, directors, partners, and employees of both Franchisor and Franchisee against any loss, liability, personal injury, property damage, or expense whatsoever arising or occurring upon or in connection with operating the franchised business.

Prior to the opening of the Business and thereafter at least **THIRTY (30)** calendar days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that not less than **THIRTY (30) CALENDAR** days prior written notice shall be given to Franchisor in the event of termination, non-renewal, or cancellation of, the coverage evidenced by such certificates.

Franchisee agrees that all insurance policies obtained by Franchisee shall be primary coverage, the applicable limits of which shall be exhausted before any benefits (defense or indemnity) may be obtained under any other insurance (including self-insurance) providing coverage to Franchisor. Franchisee shall notify its insurers of this Agreement and shall use best efforts to obtain an endorsement on each policy it obtains pursuant to this stating as follows:

“The applicable limits of this policy shall be applied and exhausted before any benefits may be obtained (whether for defense or indemnity) under any other insurance (including self-insurance) that may provide coverage to Franchisor. All insurance coverage obtained by Franchisor shall be considered excess insurance with respect to this policy, the benefits of which excess insurance shall not be available until the applicable limits of this policy are exhausted”.

#### **13.B. Insurance Carrier must be approved by Franchisor**

Such policy or policies shall include, at a minimum, the following initial coverage:

- Workman's Compensation insurance, in amounts prescribed by law or \$500,000 per occurrence, whichever is greater;
- General and Professional Liability insurance as may be prescribed by State and local authorities against all types of public liability including employer's liability insurance, liability insurance under either a comprehensive general liability policy on an occurrence basis or a liability policy, with bodily injury and property damage liability insurance, products liability or completed



operations liability insurance. Such general and professional liability insurance must be for a minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate. When the annualized Gross Revenues of the franchise reach \$1,000,000 or more, Franchisee must increase the general and professional liability insurance coverage to a minimum of \$2,000,000 per occurrence. This policy must include a minimum of \$250,000 for abuse and molestation coverage

- Dishonesty (Surety) Bond as prescribed by State and local authorities but not to be less than \$50,000.
- Hired and Non-Owned Automobile Liability insurance covering all employees and care providers of the Franchised Business with authority to operate a motor vehicle. Minimum coverage shall be in an amount not less than \$1,000,000 or, with the prior written consent of the Franchisor, such lesser amount as may be available at a commercially reasonable rate, but in no event less than any statutorily imposed minimum coverage;
- Employment Practice Liability Insurance (EPLI) with minimum limit of at least \$500,000, when the Gross Revenues of the franchise exceed \$1,000,000.

When Gross Revenues, as defined in this Agreement, exceed \$1,000,000 (one million dollars), Franchisee shall also maintain Errors and Omissions umbrella coverage for **\$1,000,000** against performance failures and negligence with respect to products and services. At all times, Franchisee must hold Franchisor harmless from and against all claims.

Franchisee shall also maintain All-risk Property Insurance, including theft and flood coverage (when applicable), written at replacement cost value covering the building, improvements, furniture, fixtures, and equipment is required.

All of the required policies of insurance shall name *Options For Senior America Franchising, LLC* and *Options For Senior America Corporation* as an additional named insured, and shall provide for a **30 CALENDAR DAY** advance written cancellation notice to the Franchisor.

### **13.C. No Limitations on Coverage**

Franchisee's obligation to maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18 of this Agreement.

### **13.D. Franchisee Must Provide Evidence of Coverage to Franchisor**

The Franchisee will provide proof of insurance to the Franchisor prior to commencement of operations at its Franchised Location. This proof will show that the insurer has been authorized to inform the Franchisor in the event of any policy lapse or cancellation. A copy of the Franchisee's Certificates of Insurance is required to be submitted to Franchisor as soon as insurance policies are secured, and annually thereafter upon renewal. These documents shall be submitted to Franchisor, showing the additional insured as stated above, within one calendar week from the issuance of the insurance policies.

The Franchisor has the right to change the minimum amount of insurance the Franchisee is required to

maintain by giving the Franchisee prior reasonable notice, giving due consideration to what is reasonable and customary in a similar business. The Franchisee's failure to comply with the insurance provisions set forth herein shall be deemed a material breach of this Agreement. In the event of any lapse in insurance coverage, in addition to all other remedies, the Franchisor shall have the right to demand that the Franchisee cease operations of the Franchised Business until coverage is reinstated or, in the alternative, pay any delinquencies in premium payments and charge the same back to the Franchisee (See E below.)

### **13.E. Franchisor May Procure Insurance Coverage**

Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, Franchisor shall have the right and authority (but no obligation) to procure such insurance and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice from Franchisor.

## **ARTICLE 14**

### **SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS**

#### **14.A. Bookkeeping, Accounting and Records**

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of **FIVE (5) YEARS (OR MORE IF THE LOCAL STATUTE OF LIMITATIONS EXCEEDS 5 YEARS)**, complete accurate records of accounting, payroll, and accounts payable and receivable in accordance with standard and acceptable accounting procedures as required by the IRS, also making such available to Franchisor at Franchisor's request.

Franchisee shall provide Franchisor a summary of all written consumer complaints received regarding the quality of the service and shall maintain all written consumer complaints and a telephone log for all consumer complaints received by telephone for a period of three years. Franchisee will send a written report to Franchisor each month containing the comments received, names of complaining persons, with addresses and telephone numbers (if available). Comments will be organized by the name of the care recipient to whom the complaint was related. Such information will also be available for inspection by Franchisor during normal working hours upon reasonable notice.

Franchisee further agrees that it will respond to any written customer complaint within **FIVE (5) BUSINESS DAYS** of receipt of such complaint, and by written response. Franchisee shall further provide Franchisor with copies of all responses to complaints, upon request.

#### **14.B. Franchisor's Right to Audit**

The Franchisee shall permit the Franchisor to inspect and audit the books, records and tax returns of the Franchised Business at any reasonable time, at the Franchisor's expense. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Franchised Business. If an inspection or audit discloses a deficiency in any payments to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to a late fee of \$25 and an interest of 1.5% per month on such deficiency. If an inspection discloses an understatement in any payment to Franchisor of **FIVE PERCENT (5 %)** or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses relating to the inspection (including, without limitation, travel, lodging, wage expenses, and reasonable accounting and legal costs), and, at Franchisor's discretion, submit audited financial statements prepared, at Franchisee's expense, by an independent

certified public accountant satisfactory to Franchisor. The foregoing remedies shall be in addition to any other remedies **OPTIONS** may have pursuant to this Agreement and as provided at law and in equity.

#### **14.C. Reporting of Gross Sales**

The Franchisee shall establish and maintain at its own expense a bookkeeping and accounting system which conforms to the specifications which the Franchisor may prescribe from time to time, as described in the Operating Manual. The Franchisee shall supply to the Franchisor such reports in a manner and form as the Franchisor may from time to time reasonably require, including:

- A royalty report, on a **ONE (1)** month accounting period basis in the form prescribed by **OPTIONS**, accurately reflecting all Gross Sales during each prior months accounting period, and such other data or information as Franchisor may require (See D below), and said report to be received by Franchisor within **SEVEN (7)** calendar days from the date of expiration of each such **ONE (1)** month accounting period; and
- Quarterly financial statements, including profit and loss statements, prepared in accordance with generally accepted accounting principles, for each accounting period, to be received by Franchisor within **FIFTEEN (15)** business days after the date of expiration of each period covered by the report and shall be certified by the Franchisee to be correct.

The Franchisor reserves the right to disclose data derived from such reports, without identifying the Franchisee, except to the extent identification of the Franchisee is required by law.

#### **14.D. Accounting**

Franchisee shall follow and adhere to the daily accounting and reporting procedures as required by Franchisor and as prescribed in the Operating Manual. The Franchisor may request that monthly profit and loss statements, balance sheets, and reports be provided by Franchisee. The reports shall be in such form and contain such information and data as is reasonably requested by the Franchisor.

#### **14.E. Yearly Federal and State Tax Returns**

Franchisee shall submit a copy of such returns to Franchisor at time of filing. If an extension of tax returns is filed, then Franchisee shall send a copy of such an extension filing to the Franchisor. Each year, copies of such returns and extensions shall be sent to Franchisor no later than 3 (three) business days from the date they are submitted to the appropriate government agencies.

### **ARTICLE 15**

#### **SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USE OF NAMES AND TRADEMARKS**

#### **15.A. Names and Trademarks are owned by Franchisor**

Franchisor warrants with respect to the proprietary Names and Trademarks that:

- Options For Senior America Franchising, LLC and Options For Senior America Corporation (collectively referred to as “**OPTIONS**”) have the exclusive right to use the Names and Marks to establish their Business System in the United States, and reserve the express right to control all uses of the Names and Marks by Franchisee.

- Franchisor is taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Names and Trademarks; and
  - Franchisor will use and permit Franchisee and other franchisees to use the Names and Trademarks with the Business System in accordance with this Agreement.
- Franchisee recognizes the value of the goodwill associated with the Licensed Names and Marks and acknowledges that the Licensed Names and Marks and all rights therein and goodwill pertaining thereto belong exclusively to OPTIONS.

### **15.B. Franchisee is licensed to Use Name and Trademarks**

With respect to Franchisee's use of the Names and Trademarks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Trademarks as are approved in writing by Franchisor for Franchisee's use, and shall use them only in the manner authorized and permitted by Franchisor. Furthermore, in any use whatsoever of the Names and Marks of Franchisor, the Names and Marks are identified by the Franchisee as being registered to and owned by Franchisor;
2. Franchisee shall use the Names and Marks only in connection with the operation of the Franchised Business, and in respect to Royalty Bearing Services and/or Products, and in advertising for the Franchised Business;
3. Franchisee shall use and display, as Franchisor may require in the operation of the Business, a notice in the form approved by Franchisor indicating that Franchisee is a "Franchised Operator" under the System and that the Names and Trademarks are used by Franchisee under such license, and only for the purposes of and pursuant to this Agreement;
4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchised Business under the Name **OPTIONS FOR SENIOR AMERICA** and Trademark "**OPTIONS**", and only in the manner permitted and prescribed by Franchisor as set forth herein;
5. Franchisee's right to use the Names and Trademarks is limited to a manner consistent with the scope of the relevant registration of the Licensed Names and Marks in the Franchised Territory, and to such usages as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights;
6. Franchisee shall not use the Names and Trademarks to incur any obligations or indebtedness on behalf of Franchisor, or on behalf of any third party such as suppliers;
7. Franchisee shall not use the Names and Trademarks or any part thereof as part of its corporate or other legal name, and on any advertising Franchisee shall state "Each franchise is independently owned and operated";
8. Franchisee shall not post its own website nor attempt to modify, in any way or manner, Options Corporate website. Furthermore, Franchisee shall not post a blog, engage in any social media or

networking on the Internet, or conduct any type of Internet communication that refers to Options, its affiliates, or any of its franchisees without Franchisor's prior written consent.

9. Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registration, and shall execute any documents deemed necessary by Franchisor to obtain protection for the Names and Trademarks or to maintain their continued validity and enforceability;
10. In the event any litigation or claim of prior use or imitation involving the Names and Trademarks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in defending such litigation. Franchisor shall have the sole right to determine whether or not any action shall be taken on account of any such infringements or imitations at Franchisor's cost and expense;
11. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Names and Trademarks, including, but not limited to, invoices, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises of the Business as may seem prudent. The form and content of such identification shall comply with standards set forth in the Operating Manual.

#### **15.C. Franchisee Will Not Challenge Franchisor's Rights in Its Names and Marks**

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, Franchisor is the owner of all rights, title, and interest in the Names and Trademarks and the goodwill accompanying them;
2. The Names and Trademarks are authentic, and original, and function to give recognition to the System and those who are franchised under the System;
3. Franchisee shall not directly or indirectly dispute the efficacy, legitimacy, or originality of Franchisor's ownership of the Names and Trademarks;
4. Franchisee's use of the Names and Trademarks pursuant to this Franchise Agreement does not give Franchisee any ownership interest or other interest in the Names and Trademarks, except the non-exclusive license granted herein;
5. Any goodwill arising from Franchisee's use of the Names and Trademarks shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Franchise Agreement and the Franchise herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Franchise System or the Names and Trademarks;
6. Franchisor reserves the right to substitute different Names and Trademarks for use in identifying the Franchise System and;
7. Franchisee hereby agrees not to register or attempt to register the Names Trademarks or Service Marks in Franchisee's name or that of any other firm, person or corporation, and;

8. The right and license of the Names and Trademarks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others to:
  - a. use the Names and itself in connection with selling services to new or existing customers/clients;
  - b. grant other licenses or franchise systems with the Names and Trademarks, in addition to those licenses already granted to existing franchisees, and;
  - c. develop and establish other franchise systems using similar Names and Trademarks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee(s).
9. Franchisee understands and acknowledges that Franchisor has the unrestricted right to engage, directly or indirectly, through its or other employees, representatives, licensees, assigns, agents or others, at wholesale, retail and otherwise, in the production, distribution and sale of services and products bearing the Names, Service Marks and Trademarks licensed hereunder or other names or marks, including without limitation, services and products included as part of the Franchise System.

## **ARTICLE 16**

### **SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO CONFIDENTIALITY OF PROPRIETARY INFORMATION**

#### **16.A. Franchisee Agrees to Confidentiality**

The Franchisee acknowledges that, during the term of this Agreement, Franchisee will have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records and specifications owned or licensed by **OPTIONS** and/or used by the Franchisor in connection with the operation of its business including, without limitation, the Franchisor's business and services/products processes, methods, customer lists, accounts and procedures. Without this information Franchisee could not effectively and efficiently operate said business. The Franchisee agrees that Franchisee will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of operating the Franchised Business. All files, records, documents, blueprints, specifications, information, letters, notes, media lists, original artwork, notebooks, testimonials, photos, videos, and similar items relating to the Franchised Business whether prepared by the Franchisee or otherwise coming into Franchisee's possession, shall remain the exclusive intellectual property of **OPTIONS**. Upon the expiration or earlier termination of this Agreement, or whenever requested by the Franchisor, the Franchisee shall immediately deliver to **OPTIONS** all such files, records, documents, specifications, information, and other items in Franchisee's possession or under Franchisee's control.

At Franchisor's request, Franchisee shall require its employees, landlord, contractors, and any other person to whom Franchisee wishes to disclose any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of such information. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the covenants.

Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System, and that Franchisor has valuable rights in and to such trade secrets. As used herein, "Proprietary Information" shall also mean confidential information concerning:

- Persons, corporations, or other entities, which are, have been, or become Franchisees of the System;
- Persons, corporations or other entities, which are, have been, or become customers of the Franchised Business;
- The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;
- The operating procedures of the System, including without limitation such trade secrets as, but not limited to, product catalogs, price lists, training manuals, policy manuals, sales promotion aids, business forms, accounting procedures, marketing reports, informational bulletins, and inventory systems.
- The economic and financial characteristics of the Franchise System and Franchisees, including without limitation pricing policies and schedules, profitability, earnings and losses, and capital and debt structures;
- The services and products offered to customers of the Franchised Business, including the scope of services performed and services rendered, and;
- All documentation of the information listed in this Section. During the term of this Agreement and for a period of **FIVE (5)** years following the expiration or after the termination of the franchise, Franchisee shall not use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require the Franchisor to divulge any secret processes, formulas, or the like.

#### **16.B. Franchisee's Employees Will Not Disclose Proprietary Information**

Franchisee acknowledges and agrees that Franchisor possesses certain confidential and proprietary information in which Franchisor possesses valuable industrial and Intellectual Property Rights consisting of the methods, techniques, formats, specifications, procedures, information, systems, methods of business management, sales and promotion techniques and knowledge of and experience in the operation and franchising of **OPTIONS** Franchises ("the Confidential Information").

Franchisee agrees to use the Confidential Information only to the extent reasonably necessary to perform Franchisee's duties taking into consideration the confidential nature of the Information. Franchisee may disclose the Confidential Information only as necessary in the operation of the Franchised Business. Franchisee acknowledges and agrees that the unauthorized use or duplication of the Confidential Information, including, without limitation, in connection with any other business, would be detrimental to Franchisor and would constitute a breach of Franchisee's obligations of confidentiality and an unfair method of competition with Franchisor and other **OPTIONS** Franchisees.

Franchisee acknowledges and agrees that the Information is confidential and a valuable asset of Franchisor. The Confidential Information will be disclosed to Franchisee solely on the condition that Franchisee agrees to the terms and conditions of this Agreement. Franchisee therefore agrees that during the term of the Franchise Agreement and thereafter, he/she: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Information; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form; and (d) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of or access to the Confidential Information.

Notwithstanding anything to the contrary contained in this Agreement the restrictions on Franchisee's disclosure and use of the Confidential Information shall not apply to the following: (a) information, methods, procedures, techniques and knowledge which are or become generally known or easily accessible other than by Franchisee's breach of an obligation of confidentiality; and (b) the disclosure of the Confidential Information pursuant to applicable law or in judicial or administrative proceedings to the extent that Franchisee is legally compelled or required by a regulatory body to disclose such information, provided Franchisee has notified Franchisor in writing prior to disclosure and shall have used his/her best efforts to obtain, and shall have afforded Franchisor the opportunity to obtain, an appropriate assurance reasonably satisfactory to Franchisor of confidential treatment of the information required to be so disclosed.

Franchisee, for a period of **FIVE (5)** years after the termination of the franchise, shall not use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor.

Franchisee shall also require a confidentiality agreement, and a non-compete agreement with all of its employees.

#### **16.C. Injunctive Relief is Available to Franchisor**

Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges that any failure to comply with the requirements of this Section will cause Franchisor irreparable injury for which no adequate remedy at law may be available because the exact amount of damage Franchisor will sustain will be difficult to determine. Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section and waives any requirement for the posting of any bond(s) relating thereto. Franchisor shall have the right to seek an injunction to prevent irreparable harm and all other remedies which it may have under the Agreement or otherwise.

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause Franchisor, the Names, the Marks or the **OPTIONS** System losses or damages.

#### **16.D. Franchisor's Patent Rights and Copyrights**

All copyrightable works created by the Franchisee or any of its owners, officers or employees in connection with the Franchised Business shall be the sole property of the Franchisor. The Franchisee assigns all proprietary rights, including copyrights, in these works to the Franchisor without additional consideration. The Franchisee hereby assigns and will execute such additional assignments or



documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the **OPTIONS** Franchise, during the term of this Agreement, as the Franchisor may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to the Franchisor all right, title, and interest in said property. The Franchisee shall promptly disclose to the Franchisor all inventions, discoveries, improvements, creations, patents, copyrights, trademarks and confidential information relating to the Franchised Business which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, the Franchisee acknowledges and agrees that any improvements or modifications, whether or not copyrightable, directly or indirectly related to the Franchised Business, shall be deemed to be a part of the Licensed Methods and shall inure to the benefit of the Franchisor. Franchisor intends to obtain copyright protection for certain marketing, sales, and operations literature. Furthermore, Franchisor claims rights to certain trade secrets and confidential information as discussed above. The Operating Manual as discussed earlier is copyrighted. Franchisor does not own rights in or to any patents that are material to the Franchise.

## **ARTICLE 17**

### **SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS, AND LAWSUITS**

#### **17.A. Franchisee Must Notify Franchisor of Lawsuits**

Franchisee shall immediately (in no event more than 24 hours following) notify Franchisor of any (a) incident that may adversely affect the operation or financial condition of the Franchisee, Franchisor or its affiliates; (b) legal action (including the commencement of a suit or proceeding, or the threat thereof), (c) issuance of any writ, order, injunction, award or decree of any court, agency or government authority, including any citation, fine or closing order, or (d) other adverse inquiry, notice, demand or sanction received relating to the operation of the Franchised Business, including any alleged violation of any law, including health, safety or employment law violations, and including any labor dispute, actual or threatened labor strike, work stoppage, lock-out or other incident relating to any labor agreement. Franchisee shall provide Franchisor with copies of all related correspondence and other communications and information relating thereto. This also includes any criminal action or proceedings brought by Franchisee against its employees, customers/clients, or other persons.

#### **17.B. Franchisee Must Comply With Laws**

Franchisee shall comply with all applicable laws, ordinances, rules and regulations including federal, state and municipal authorities and departments relating to or affecting Franchisee.

#### **17.C. Franchisee Must Pay Taxes Promptly**

Franchisee agrees to make timely payment of all indebtedness incurred in the operation of the Franchised Business including, without limitation, income tax, federal and state withholdings, unemployment, sales taxes, use taxes, personal property taxes, and all similar taxes imposed upon it of any kind incurred in the conduct of the Franchised Business. Franchisee agrees to indemnify Franchisor in the event that Franchisor is held responsible for any taxes or indebtedness.

#### **17.D. Franchisee May Contest Tax Assessments**

In the event of any dispute as to any tax liability or other indebtedness, Franchisee may contest the legitimacy or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law.

## **ARTICLE 18**

### **SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INDEMNIFICATION**

The Franchisee agrees to indemnify, defend and hold harmless the Franchisor, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees, (the “Indemnified Parties”) against, and to reimburse them for all claims, obligations and damages described in this Section, any and all third party obligations described herein and any and all claims and liabilities directly or indirectly arising out of the operation of the Franchised business or arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants’, attorneys’ and expert witnesses’ fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses. The Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

The Franchisor shall have no liability for the Franchisee’s obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee’s property, or upon the Franchisor in connection with the sales/services made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor). The Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name.

Franchisor shall not be liable to the Franchisee or any other person with respect to the use of OPTIONS services, products, equipment or facility used or employed in connection with the Name or Marks, or the sale, if any, by you of any services, or items bearing the Name or Trademarks including the performance characteristics, fitness or suitability of any of them for any purpose. We make no warranties, expressed or implied, with respect to the use of the Name or Trademarks, the use of your equipment or facility, the use or characteristics of any products, goods, or items sold to Franchisee, or the performance, results, or effects of any of them. Notwithstanding any other provision in this Agreement, Franchisor disclaims any liability for incidental or consequential damages or losses of any sort arising from the execution of this Agreement, the furnishing of any services to Franchisee, the distribution or sale of items to Franchisee, or otherwise, or as a consequence of any goods or services which Franchisee provides to his/her clients under the Trademarks or Servicemarks, whether or not arising from defects, malfunctions or failure to conform to specifications.

## **ARTICLE 19**

### **MISCELLANEOUS COVENANTS OF FRANCHISEE**

## 19.A. Covenants are Independent

Franchisee agrees that each of the foregoing covenants will be construed as independent of any other covenant or provision. If all, parts or any portion of a covenant in this Franchise Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this item.

## 19.B. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of **OPTIONS** and the System. Franchisee agrees not to copy, upload to internet, intranet, modem, fax, e-mail, mail or send any confidential material or divulge any material directly or indirectly to any other person or enterprise outside of this System. Franchisee may not either directly or indirectly hire, solicit, or encourage leaving the Franchisor's employment, any employee, consultant, or contractor of the Franchisor or hiring any such employee, consultant, or contractor who has left the Franchisor's employment or contractual engagement within two years of such employment or engagement. Franchisee further agrees not to circumvent or bypass Franchisor's rights by doing business directly with any supplier whom Franchisor has introduced to Franchisee.

Franchisee covenants that, except as otherwise approved in writing, Franchisee shall not, during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for **TWO (2)** years thereafter, either directly or indirectly for itself, or through, on behalf of, or in conjunction with any other person, partnership, corporation or limited liability company, own, maintain, engage in, participate in or have any interest in the operation of any business that offers products, that are essentially the same as, or substantially similar to, the products, Core Services or Optional Services that are part of **OPTIONS**, or in conjunction with, any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business engaged in the **HOME HEALTH CARE SERVICES FIELD** or featuring the overall **OPTIONS** concept, within a fifty (**50**) mile radius of the business location designated in the attached Addendum, Schedule 2, or within a **FIFTY (50)** mile radius of any other **OPTIONS** Franchise in existence or planned as of the time of termination or expiration of this Agreement, as identified in the Franchise Disclosure Document of **OPTIONS** in effect as of the date of expiration or termination of this Agreement for **TWO (2)** years. If Franchisee is found to be competing with Franchisor and/or its other franchises, Franchisee agrees to pay Franchisor, damages equal to **FIFTEEN (15) PERCENT** of the gross sales generated by the endeavor, or \$10,000 (ten thousand dollars), whichever is greater. Payments of damages shall not preclude Franchisor from filing any other claims it believes are appropriate. It is the intent of the Franchisor to have the noncompeting provisions of this Agreement enforced to the fullest extent permissible.

Franchisee expressly agrees that the existence of any claims Franchisee may have will not constitute a defense to the enforcement by Franchisor of the covenants described herein. Franchisee will pay all costs and expenses (including Attorneys' fees) incurred by Franchisor and Franchisee in connection with the enforcement of these covenants.

Franchisee acknowledges that any violation of the covenants not to compete would result in irreparable injury to Franchisor for which no adequate remedy at law may be available and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of the covenants not to compete.

**Competitive Activities by Others:** All non-compete covenants apply also to any member of Franchisee's family, household, estate, personal representatives or heirs. Any actions that this Agreement proscribes for you must also be prohibited for those persons mentioned in the previous sentence.

**Injunctive Relief:** Franchisee acknowledges that damage caused to Franchisor and its franchisees for failure to comply with the provisions of this item are irreparable. Franchisee agrees that Franchisor shall be entitled to injunctive relief in addition to any other relief that may be available to it.

### **19.C. Franchisee Will Not Divert Business**

Franchisee covenants that, except pursuant to another Franchise Agreement with Franchisor, or as otherwise approved in writing by Franchisor, Franchisee shall not, during the term of this Agreement, or for **TWO (2) YEARS** after the expiration or termination of this Agreement or the approved transfer of this Agreement to a new franchisee, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in any business that provides and/or sells home health care services, and that is located (i) within **FIFTY (50)** miles of the approved location, or (ii) within **FIFTY (50)** miles of any other **OPTIONS** Franchise.

Franchisee shall not divert or attempt to divert any present or prospective business or customers/clients to any competitor, by direct or indirect inducement or otherwise, or do or perform directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

Franchisee shall not induce, directly or indirectly, any person who is at the time employed by Franchisor or by any other Franchisee of Franchisor, to leave his or her employment.

### **19.D. Covenants Are Enforceable Independent of Claims**

Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Agreement.

### **19.E. No Right of Set-Off**

Franchisee agrees to pay all costs and expenses, including reasonable Attorneys' fees, incurred by Franchisor in connection with the enforcement of the covenants in this Agreement. The Franchisee shall not be allowed to set off amounts owed to the Franchisor for Royalties, fees or other amounts due hereunder, against any monies owed to Franchisee, nor shall the Franchisee in any event withhold such amounts due to any alleged nonperformance by the Franchisor hereunder, which right of set-off is hereby expressly waived by the Franchisee.

**Merger:** This Agreement shall not be terminated by the merger or consolidation of **OPTIONS** into or with any other entity.

## **ARTICLE 20**

### **OBLIGATION OF THE FRANCHISOR: SUPERVISION AND ASSISTANCE**

The Franchisor shall provide the Franchisee with the following assistance and services:

- a. provide a 5-day Initial Training program, for up to two individuals from the franchise, at Franchisor's corporate offices, or at another location designated by us. The week for this training will be agreed upon after this Franchise Agreement has been executed. The Franchisee must attend and complete this training program to the satisfaction of Franchisor. This training program covers training in the operation and management of the business, including product knowledge, record keeping and reporting procedures, personnel management, advertising, computer software systems, customer relations, inquiry taking, quality control, and other general policies and procedures. The Initial Training session will begin before the opening of the Franchised Business. The time and dates will be determined by Franchisor.
- b. assist Franchisee in establishing methods for finding and evaluating personnel and care providers;
- c. furnish to Franchisee the Franchise Operating Manual (Policies & Procedures Manual) for the purpose of providing guidance in the methods, and techniques of operating an Options For Senior America franchise. The Franchisee agrees that it shall comply with this Manual as an essential aspect of its obligations under this Agreement;
- d. furnish from time to time such business information and literature as Franchisor determines may be helpful in improving the operations of the Options For Senior America franchise;
- e. advise and consult with Franchisee during normal business hours on matters relating to all operations of the Options For Senior America franchise;
- f. furnish from time to time such business guidance, information and literature as Franchisor determines may be helpful in improving the operations of the business;
- g. advise and consult with Franchisee during normal business hours on all operational matters of the business;
- h. provide additional training programs and meetings with other Franchisee managers and/or Branch Managers;
- i. continue to develop, promote and protect the goodwill and reputation associated with the Franchisor's names and marks and other aspects of the SYSTEM;
- j. provide sources of equipment vendors, office and printing supplies, and advertising;
- k. although not obligated to do so, upon the reasonable request of the Franchisee, the Franchisor may make its employees or designated agents available to the Franchisee for on-site advice and assistance in connection with the on-going operation of the Franchised Business governed by this Agreement. In the event that the Franchisee requests such additional assistance and the Franchisor agrees to provide the same, the Franchisor reserves the right to charge the Franchisee for all travel,

lodging, living expenses, and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of the Franchisee, which fee will be charged in accordance with the then-current daily or hourly rates being charged by the Franchisor for assistance.

- l. periodically provide to Franchisee, at Franchisee's expense, such promotional items and materials for local advertising as deemed necessary by Franchisee. Franchisor may also direct the discontinuance of such promotional items as it deems necessary. All other advertising and promotional materials which Franchisee proposes to use must be reviewed by Franchisor.
- m. seek to maintain the high standards of quality, consistency, and service of the Franchised System. To this end, Franchisor shall conduct, as it deems necessary, inspections of the Franchised Business. The Franchisor will investigate and evaluate all of the services rendered by Franchisee.
- n. provide the then current range of rates, as published by Franchisor, for services provided to care recipients and pay for services rendered by care providers. Franchisee agrees that any list or schedule of rates furnished to Franchisee by Franchisor is a suggested rate sheet and Franchisee is free at all times to set its own rates. Nothing contained herein shall be deemed a representation by Franchisor that the use of the Franchisor's suggested rates will in fact increase profits, produce sales, or in any way affect Franchisee in a positive manner. If Franchisee desires to use rates that deviate by  $\pm 10\%$  or more from above published rates, then Franchisor must approve such rates.

## **ARTICLE 21**

### **VARYING STANDARDS**

Complete and detailed uniformity under many different conditions may not be possible or practical. Franchisor specifically reserves the right to vary standards and operating procedures. Things such as the peculiarities of a particular **FRANCHISE**, its business potential, population per square mile, existing business practices, and many other conditions may affect uniformity. Franchisor reserves the right to vary standards and uniformity. Franchisee shall not have any right to bring a formal charge about a variation from standard specifications and practices granted to any other Franchisee.

Franchisee shall not be entitled to require Franchisor to grant to Franchisee a like or similar departure from the standard.

Since the areas and markets within which franchised businesses are located differ, you understand that the size of the Sales Territory granted to you may differ from that of other franchisees within our Franchise System.

## **ARTICLE 22**

### **SALE OF FRANCHISE**

#### **22.A. Transfer by Franchisee**

This Agreement restricts the Franchisee's right to assign the Agreement to a third party. The Franchisee shall not engage in a transfer unless the Franchisee obtains the Franchisor's written consent which consent will not be withheld or delayed unreasonably. In granting any such consent, the Franchisor may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including all amounts due and owing, pursuant to this Agreement, by the Franchisee to the Franchisor or its affiliates or to third parties whose debts or obligations the Franchisor has guaranteed on behalf of the Franchisee, if any, are paid in full;
2. The proposed transferee agrees to operate the Franchised Business and agrees to satisfactorily complete the Initial Training program described in this Agreement, which training must be completed to the Franchisor's satisfaction prior to the effectiveness of the transfer;
3. The proposed transferee must not operate a franchise, license or other business offering services similar to those offered by the Franchisor;
4. The proposed transferee agrees to execute the then-current form of Franchise Agreement which shall supersede this Agreement in all respects. If a new Franchise Agreement is signed, the terms thereof may differ from the terms of this Agreement; provided, however, the transferee will not be required to pay any initial franchise fee;
5. The Franchisee or the proposed transferee pays to the Franchisor a nonrefundable transfer fee of **\$7,500** before the proposed transfer and attends the Initial Training program; provided, however, that no transfer fee will be charged for a transfer by the Franchisee to a corporation wholly-owned by the Franchisee, between partners of a partnership Franchisee or to a spouse of a Franchisee upon the death or disability of the Franchisee. Franchisor shall have the right to require Franchisee and its owners to execute a general release of Franchisor in a form satisfactory to Franchisor's counsel as a condition to its approval of assignment or other transfer of the Franchise;
6. Franchisee shall, at the time of transfer, not be in default of the Franchise Agreement or any part thereof;
7. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee) shall enter into a written assumption agreement, in a form satisfactory to Franchisor, assuming and agreeing to all of Franchisee's obligations under this Agreement and/or any new Franchise Agreement, as hereinafter provided;
8. The transferee shall demonstrate, to Franchisor's satisfaction, that the transferee meets all business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business; and has adequate financial resources and capital to operate the Franchised Business.
9. The Franchisee agrees to abide by all post-termination covenants set forth herein, including, without limitation, the covenant not to compete;
10. At the transferee's expense, the transferee shall complete any training programs then in effect for franchisees upon such terms and conditions as **OPTIONS** may reasonably require.

## 22.B. Assignment by Franchisor

Franchisor has an unrestricted right to transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor. This Agreement shall

not be terminated by the merger or consolidation of **OPTIONS** into or with any other entity.

### **22.C. Transfer upon Death or Mental Incapacity**

Upon the death or permanent disability of the Franchisee (or individual owning **25%** or more of, or controlling, the Franchisee entity), the personal representative of such person shall transfer the Franchisee's interest in this Agreement or such interest in the Franchisee entity to an approved third party. Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed **150 DAYS** from the date of death or permanent disability (unless extended by probate proceedings), and shall be subject to all terms and conditions applicable to transfers contained herein. Provided, however, that for purposes of this transfer, there shall be no transfer fee charged by the Franchisor. Failure to transfer the interest within said period of time shall constitute a breach of this Agreement.

For the purposes hereof, the term permanent disability shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Franchisee (or the owner of **25%** or more of, or controlling, the Franchisee entity) from supervising the management and operation of the Franchised Business for a period of **150 DAYS** from the onset of such disability, impairment or condition.

### **22.D. Sale of Franchised Business**

If the Franchisee desires to sell the Franchised Business, then Franchisor will reasonably assist Franchisee in connection with the sale. In the event the Franchisee wishes to engage in the sale of the Franchised Business, the Franchisee agrees to grant to the Franchisor a **30 DAY** right of first refusal to purchase such rights, interest or assets on the same terms and conditions as are contained in any bona fide written offer to purchase the Franchised Business, or such ownership provided, however, the following additional terms and conditions shall apply:

- The right of first refusal will be effective for each proposed transfer or sale, and any material change in the terms or conditions of the proposed transfer or sale shall be deemed a separate offer on which the Franchisor shall have a new **30 DAY** right of first refusal;
- If the consideration or manner of payment offered by a proposed transferee is such that the Franchisor may not reasonably be required to furnish the same, then the Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, then the Franchisor and the Franchisee shall designate an independent appraiser who, in turn, shall designate a third independent appraiser. The third appraiser's determination will be binding upon the parties. All expenses of the appraiser shall be paid for equally between the Franchisor and the Franchisee; and if the Franchisor chooses not to exercise its right of first refusal, the Franchisee shall be free to complete the transfer subject to the prior approval of Franchisor.
- Absence of a reply to the Franchisee's notice of a proposed transfer within the **30-DAY** period may be deemed a waiver of such right of first refusal.
- Franchisee shall provide such information and documentation, including financial statements, as Franchisor may require. Franchisor's failure to exercise the option afforded by this Section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements



of this Section, with respect to a proposed transfer of any Interest.

The Franchisee acknowledges that the Franchisor's right to approve or disapprove a proposed transfer, if the Franchisee is a partnership, corporation or other business association, shall apply to:

- ☐ the addition or deletion of a partner, shareholder or members of the association or the transfer of any ownership interest among existing partners, shareholders or members;
- ☐ any proposed transfer of 25% or more of the interest (whether stock, partnership interest or membership interest) to a third party, whether such transfer occurs in a single transaction or several transactions; and

The Franchisee acknowledges that the Franchisor's right to approve or disapprove a proposed transfer, if the Franchisee is an individual, shall apply to the transfer from such individual or individuals to a corporation or other entity controlled by them, in which case the Franchisor's approval will be conditioned upon:

- ☐ the continuing personal guarantee of the individual (or individuals) for the performance of obligations under this Agreement; and
- ☐ a limitation on the corporation's or other entity's business activity to that of operating the Franchise and related activities provided that with respect to such transfer, the Franchisor's right of first refusal to purchase shall not apply and the Franchisor will not charge any transfer fee.

You agree that after you sell the Franchised Business you may not continue to engage in any similar business either directly or indirectly as an owner, partner, consultant, director, or in any other capacity for a period of **TWO (2) YEARS** from the date of termination within a distance of fifty (50) miles from any franchisee or any franchise previously owned by yourself. You agree that you will be liable for damages in the event that you violate this covenant not to compete, which damages are equal to **15%** of the gross receipts received from any such venture, or \$10,000 (ten thousand dollars), whichever is greater. You acknowledge that damage caused to us and our franchisees for failure to comply with the non-compete provisions of this item are irreparable. You agree that we shall be entitled to injunctive relief in addition to any other relief that may be available to us.

## **ARTICLE 23**

### **TERMINATION OF FRANCHISE**

#### **23.A. Impact of Statutes upon Franchise Agreement**

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Act of 1978, Title II, U.S. Code, as amended.

#### **23.B. Termination by Franchisor**

The Franchisor may terminate this Agreement, if the Franchisee breaks any material provision of this Agreement. Should Franchisee break any material provision of this Agreement, Franchisor shall notify Franchisee in writing of such breach, specifying its nature and giving Franchisee **FIFTEEN (15) BUSINESS DAYS** in which to cure the breach.

If Franchisee shall fail to cure such breach, then Franchisor can, but shall not be obligated to terminate this Agreement.

### 23.C. Termination by Franchisor without Cure Effective Upon Notice

The Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted the Franchisee hereunder, without affording the Franchisee any opportunity to cure any default (subject to any **MARYLAND** Laws to the contrary, where **MARYLAND** law shall prevail), effective upon receipt of notice by the Franchisee, upon the occurrence of any of the following events:

1. **Abandonment:** If the Franchisee ceases to operate the Franchise or otherwise abandons the Franchise for a period of **TEN** consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the Franchise, unless and only to the extent that full operation of the Franchise is suspended or terminated due to fire, flood, earthquake or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee;
2. **Failure to Make Payments:** If the Franchisee fails to pay any amounts due the Franchisor or affiliates, including any amounts which may be due as a result of any subleases or lease assignments between the Franchisee and the Franchisor, within **15 BUSINESS** days after receiving notice that such fees or amounts are overdue;
3. **Failure to Maintain Standards:** The Franchisee fails to maintain the then-current operating procedures and adhere to the specifications and standards established by the Franchisor as set forth herein or in the Operations Manual or otherwise communicated to the Franchisee;
4. **Failure to Obtain Consent:** The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement;
5. **Unauthorized Transfer:** If the Franchisee sells, transfers or otherwise assigns the Franchise, an interest in the Franchise or the Franchisee entity, this Agreement, the Franchise or a substantial portion of the assets of the Franchise owned by the Franchisee without having the prior consent of Franchisor, as set forth herein;
6. **Unauthorized Disclosure:** If the Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operations Manual, the contents of or any part of the *Options HomeCare System* software, or any other trade secrets or Confidential Information of the Franchisor;
7. **Repeated Noncompliance:** If the Franchisee has received two previous notices of default from the Franchisor and is again in default of this Agreement at any time during the term of this Agreement, regardless of whether the previous defaults were cured by the Franchisee, provided, however, that following the Franchisee's receipt of three notices of default, the Franchisor reserves the right to assess a penalty in the amount of the then-current initial franchise fee payable within **15 BUSINESS** days of receipt of notice related thereto, in lieu of immediately terminating the Franchise Agreement, on the condition that a fourth notice of default may result in immediate termination of the Franchise Agreement;
8. **Misuse of Marks:** If the Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning the use of the Franchisor's Trademark or Service Marks and fails to correct the misuse or failure within **15 BUSINESS** days after notification from the Franchisor;

9. Criminal Conviction: If the Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Licensed Methods, Marks, goodwill or reputation thereof;
10. Deceptive Practices: The Franchisee engages in any unauthorized business or practice or sells any unauthorized service or product under the Franchisor's Marks or under a name or mark which is confusingly similar to the Franchisor's Marks, or if Franchisee violates any of the restrictive covenants contained in this Agreement including the covenant(s) not to compete and the covenant(s) of non-disclosure;
11. Liens: If Franchisee fails to discharge any valid lien placed against the property or assets of the business;
12. Insolvency; Assignments: If the Franchisee becomes insolvent or is adjudicated as bankrupt; or any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.), or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed by the Franchisee;
13. Bankruptcy: If the Franchisee files a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or similar release under law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent;
14. Unsatisfied Judgments, Levy & Foreclosure: If any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for **30 CALENDAR** days or longer (unless a supersede or other appeal bond has been filed); or if execution is levied against the Franchisee's business or any of the property used in the operation of the Franchise and is not discharged within **FIVE BUSINESS** days; or if the real or personal property of the Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable;
15. Divulge Confidential Information: If, in violation of the terms of this Agreement, Franchisee, its principals, representatives, agents or employees disclose or divulge the contents of the Operating Manual or other Confidential Information provided to Franchisee by **OPTIONS**;
16. False Books: If any inspection of Franchisee's records discloses an understatement of payments due **OPTIONS** of **TEN PERCENT (10%)** or more, or if Franchisee maintains false books or records, or submits any false reports to **OPTIONS**.

#### **23.D. Termination by Franchisor with Cure**

Notwithstanding the foregoing, if Franchisee shall cure any violations of health, safety, or sanitation within 72 hours notice, and/or pay past due royalty fees upon **FIFTEEN (15)** business days notice, and/or any default not specifically listed herein cured within **FIFTEEN (15)** business days of notice then Franchisor will reverse Termination of Franchise.

### **23.E. Termination by Franchisee**

Any termination of this Franchise Agreement by Franchisee other than breach of this Agreement by Franchisor and Franchisor's failure to cure such breach after receipt of written notice thereof, shall be deemed a termination by Franchisee without cause.

### **23.F. State and Federal Law**

The parties acknowledge that in the event the terms of this agreement regarding termination or expiration are inconsistent with applicable state or federal law, **MARYLAND** law shall govern the franchisee's rights regarding termination or expiration of this Agreement.

## **ARTICLE 24**

### **FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION**

In the event of termination for any reason,

#### **24.A. Franchisee Shall Cease Using Names and Marks**

Franchisee will promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks. Franchisee will cease to identify itself as a Franchise, or use any of the Franchisor's trade secrets, signs, symbols, devices, trade names, trademarks, or other materials. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information.

#### **24.B. Franchisee Shall Cease Operating Business**

Franchisee shall immediately cease to operate the Franchised Business, and shall not directly or indirectly, represent itself to the public as a present Franchisee of Franchisor. Furthermore, Franchisee agrees that, for two (2) years beginning on the effective date of termination, the effective date of transfer, or the expiration date of this Agreement, neither Franchisee nor any owner will have any direct or indirect interest (e.g. through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent in any competitive agency within seventy- five (75) miles of any Options For Senior America franchise business.

#### **24.C. Franchisee May Not Adopt Confusingly Similar Names and Marks**

Franchisee agrees to cease to identify itself as an **OPTIONS** Franchisee or publicly identify itself as a former Franchisee or use any of the Franchisor's trade secrets, signs, symbols, devices, trade names, trademarks, or other materials. Franchisee shall immediately cease to identify the **FRANCHISED LOCATION** as being, or having been, associated with the Franchisor;

#### **24.D. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers**

Franchisee will promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of the Franchisor or, at the option of the Franchisor, assign the same to the Franchisor. Franchisee will notify the telephone company and all telephone directory publishers of the termination or expiration of the

Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer thereof to the Franchisor or its designee. The Franchisee acknowledges that, as between the Franchisee and the Franchisor, the Franchisor has the sole rights to and interest in all telephone, 1-800, or facsimile machine numbers and directory listings associated with any Mark. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any of its officers as the Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone, 1-800, or facsimile machine numbers and directory listings relating to the Franchisee to the Franchisor or its designee, should the Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive of the Franchisor's exclusive rights in such telephone numbers and directory listings and the Franchisor's authority to direct their transfer.

#### **24.E. Franchisee Must Return Manual and Other Materials**

Franchisee shall immediately deliver to the Franchisor the Operations Manual and all other information, documents and copies thereof which are proprietary to the Franchisor. Furthermore, Franchisee shall return any electronic media containing all or parts of the *Options HomeCare System* software to the Franchisor, and remove such software and related files from all Franchisee's computers.

#### **24.F. Franchisor May Purchase Inventory, Equipment**

Upon termination or expiration of this Agreement for any reason, the Franchisor shall have the option to purchase some or all of the assets of the Franchisee, which may include, at the Franchisor's option, all of the Franchisee's interest, if any, in and to the real estate upon which the Franchisee is located, and all buildings and other improvements thereon, including leasehold interests, and inventory, at fair market value, less any amount apportioned to the goodwill of the Franchisee which is attributable to the Franchisor's Marks and Licensed Methods, and less any amounts owed to the Franchisor by the Franchisee. The following additional terms shall apply to the Franchisor's exercise of this option:

- The Franchisor's option hereunder shall be exercisable by providing the Franchisee with written notice of its intention to exercise the option given to the Franchisee no later than the effective date of termination, in the case of termination, or at least **90 CALENDAR DAYS** prior to the expiration of the term of the franchise, in the case of non-renewal. Such notice shall include a description of the assets the Franchisor will purchase.
- In the event that the Franchisor and the Franchisee cannot agree to a fair market value for the assets of the Franchisee, then the fair market value shall be determined by an independent third party appraisal. The Franchisor and the Franchisee shall each select one independent, qualified appraiser, and the two so selected shall select a third appraiser, all three to determine the fair market value of the Franchisee. The purchase price shall be the median of the fair market values as determined by the three appraisers.

The Franchisor and the Franchisee agree that the terms and conditions of this right and option to purchase may be recorded, if deemed appropriate by the Franchisor, in the real property records and the Franchisor, and the Franchisee further agrees to execute such additional documentation as may be necessary and appropriate to effectuate such recording.

The closing for the purchase of the assets of the Franchisee will take place no later than **60 CALENDAR** days after the termination or non-renewal date. The Franchisor will pay the purchase price in full at the closing, or, at its option, in five equal consecutive monthly installments with interest at a rate of 6% per annum. The Franchisee must sign all documents of assignment and transfer, as are reasonably necessary, for the purchase of the Franchisee by the Franchisor.

In the event that the Franchisor does not exercise the Franchisor's right to purchase the assets of the Franchisee's franchise as set forth above, the Franchisee will be free to keep or to sell, after such termination or expiration, to any third party, all of the assets of its Franchised Business; provided, however, that all appearances of the Marks are first removed in a manner approved in writing by the Franchisor. The Franchisor will only be obligated to purchase any assets of the Franchisee in the event and to the extent it is required by applicable state or federal law.

#### **24.G. Franchisee Must Pay Amounts Owed to Franchisor**

Franchisee shall pay to Franchisor, within **FIFTEEN (15)** business days after the effective date of termination or expiration of this Agreement, all monies owed to Franchisor by Franchisee. This shall include as an example such things as Royalty fees and Service fees. Franchisee shall pay to **OPTIONS** all costs and expenses, including reasonable attorneys' fees, incurred by **OPTIONS** in any legal action, arbitration or other proceeding as a result of such enforcement of these provisions.

### **ARTICLE 25**

#### **ENFORCEMENT**

#### **25.A. Franchisee May Not Withhold Payments Due Franchisor**

The Franchisee shall not be allowed to set off amounts owed to the Franchisor for Royalties, fees or other amounts due hereunder, against any monies owed to Franchisee, nor shall the Franchisee in any event withhold such amounts due to any alleged nonperformance by the Franchisor hereunder, which right of set off is hereby expressly waived by the Franchisee.

#### **25.B. Severability and Substitution of Valid Provisions**

If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof.

#### **25.C. Arbitration**

Except insofar as Franchisor elects to enforce this Agreement by judicial process, injunction, or specific performance, any controversy or claim arising out of or relating to this Franchise Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitrator(s) shall allow discovery in accordance

with the Federal Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator(s) shall have the right to award or include in the award the specific performance of this Agreement.

Judgment upon the award of the arbitrator(s) will be entered in any court having competent jurisdiction and filed as a judgment and shall be binding in any other jurisdiction. During the pendency of any arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement. Both parties consent to the jurisdiction and venue of any court of general jurisdiction, State of **MARYLAND**, and any legal proceedings arising out of this Agreement shall be brought only in such court.

#### **25.D. Rights of Parties Are Cumulative**

All rights and remedies of Franchisor and Franchisee hereunder are cumulative of each other and of every other right or remedy which Franchisor may otherwise have at law or in equity or under this Franchise Agreement, and the exercise of one or more of such rights or remedies under the Franchise Agreement shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies hereunder which Franchisor is entitled by law to enforce the provisions of this Franchise Agreement, or of the Operating Manual.

#### **25.E. Judicial Enforcement, Injunction and Specific Performance**

Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in Section 24, and to collect any amounts owed to Franchisor for any unpaid Royalty Fees or other unpaid charges due hereunder, arising out of the business conducted by Franchisee pursuant to this Agreement. Franchisor shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Franchisor secures any such injunction or orders of specific performance, Franchisee agrees to pay to Franchisor expenses in connection with Franchisee's failure to pay when due amounts owed to Franchisor, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement. Franchisee agrees to reimburse Franchisor for costs and expenses incurred by Franchisor, including, without limitation, accounting and attorneys' costs, costs of investigation, court costs, arbitrators' costs, travel and living expenses and related fees, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

#### **25.F. Entire Agreement**

The addendums and applicable exhibits are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Except as otherwise set forth herein, nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any Person not a party hereto. The headings of the several sections and subsections hereof are for convenience only and do not define, limit, or construe the contents of such sections or subsections. The terms "you", your, and Franchisee, as used in this Agreement, are applicable to one or more persons. The singular usage includes the plural and the masculine and neuter usages include each other and the feminine. If you are two or more persons at any time, whether or not as partners, owners or joint ventures, your obligations and liabilities to us the Franchisor will be joint and several. References to "Franchisee" shall also mean the principal owner or owners of the equity or operating control of Franchisee if Franchisee is a corporation.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

This Agreement constitutes the entire, full, and complete Franchise Agreement between **OPTIONS** and Franchisee and supersedes any prior agreements. There are no representations either oral or written, except those contained in this Agreement.

Each person included as a Franchisee acknowledges that they have conducted an independent investigation of the franchised business contemplated by this Agreement, and they recognize that it involves business risks which make the success of the venture largely dependent upon their business abilities and efforts. You acknowledge that you have been given the opportunity to clarify any provision of this Agreement that you may not have initially understood and that we have advised you to have this Agreement reviewed by an independent attorney of your own choosing. Franchisor and Franchisee further acknowledge that each has been given the opportunity to have this Agreement reviewed by competent counsel and agree that no provision of this Agreement shall be construed against either party based on the fact that such party drafted or such party's counsel drafted this Agreement or that it is a standardized document or a template.

You understand that we nor any of our representatives or agents with whom you have met have made any guarantees as to the extent of your success in your Franchised Business and have not and are not in any way representing or promising any specific amounts of earnings or profits in association with your Franchised Business. You acknowledge we have in fact told you that it is possible that you will achieve no income as a result of any payments you make to us, or training or other services that we provide to you. You acknowledge that we have not told you that we have any responsibility to secure clients for you or assist in securing clients or business for you, and you agree that we cannot be held responsible in the event that you fail to secure clients or business in your own interest.

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of Law shall be the sole responsibility of **OPTIONS**, and no agent, representative, nor any individual associated with **OPTIONS** shall be held responsible. Nothing that you may have been told by us or our representatives shall be binding unless it is written in this Agreement. This written Agreement includes all representations between the parties. Do not sign this Agreement if there are any questions concerning its contents or any representations made.

If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced.

## **25.G. MARYLAND Law Applies**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the state of **MARYLAND** and any disputes between the parties shall be governed by and determined in accordance with the substantive laws of the state of **MARYLAND**, which laws shall prevail in the event of any conflict of law. The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in a legal proceeding involving the Franchisee, its officers, directors, partners or managers (collectively, "Franchisee") and the Franchisor, its officers, directors or sales employees (collectively, "Franchisor"), all parties agree that the exclusive venue for



disputes between them shall be in the state courts in **MONTGOMERY** County, **MARYLAND**, and federal courts located in **MARYLAND** and each waive any objections they may have to the personal jurisdiction of or venue in the state courts in **MONTGOMERY** County and federal courts located in **MARYLAND**. The Franchisor and the Franchisee each waives their rights to a trial by jury.

#### **25.H. Attorney Fees**

Should any legal proceedings between the Franchisor and the Franchisee arise under this Franchise Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the other party.

#### **25.I. Binding Effect**

This Agreement is binding upon the parties of this Agreement and their respective assigns and successors in interest.

#### **25.J. There are No Unwritten Agreements**

This instrument contains the entire Agreement between the parties relating to the rights granted and the obligations assumed in and by the Franchise Agreement. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless it is in writing and signed by the parties of this Agreement. Franchisor may amend the Manual at any time however, and Franchisee shall adapt its methods or procedures to comply with the requirements of said Operating Manual.

#### **25.K. Force Majeure**

Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of any Royalties or monetary obligations hereunder, if either party to this Franchise Agreement is delayed or prevented from the performance of any act required under this Franchise Agreement by reason of causes beyond the reasonable control of the party such as power failure, governmental regulations, laws, riots, war, or insurrection, then performance of such act shall be excused for the period of the delay, but in no event to exceed **ONE HUNDRED EIGHTY (180) CALENDAR DAYS** from the stated time periods as set forth in this Franchise Agreement.

#### **25.L. Waiver of Punitive Damages**

Except with respect to the indemnification obligations of the parties hereunder, the parties 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 them, the party making a claim shall be limited to recovery of any actual damages it sustains.

### **ARTICLE 26**

#### **APPROVALS AND WAIVERS**

**OPTIONS** makes no warranties or guarantees upon which Franchisee may rely, except those clearly contained in this Franchise Agreement.

No failure of Franchisor to exercise any right reserved to Franchisor under this Agreement shall constitute a waiver of said right. Franchisor's lack of enforcing strict compliance by Franchisee of any obligation or terms hereto shall not constitute a waiver of Franchisor's right to demand exact compliance. It shall not defraud or impair Franchisor's rights with respect to any subsequent default or breach. The rights of Franchisor hereunder are cumulative and no exercise or enforcement by Franchisor of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor of any other right or remedy hereunder which Franchisor is entitled by this Agreement to enforce.

## **ARTICLE 27**

### **AUTHORITY**

Franchisee signing this Franchise Agreement, or individuals (if they are a corporation, LLC, or partnership, those individuals signing on behalf of said corporation, LLC or partnership), attest to Franchisor, both individually and in their capacities as Partners, Managers or Officers, that all the partners in the partnership, all of the members in a LLC or all of the shareholders of the corporation, have read and approved the signing of this Franchise Agreement, including the restrictions which this Franchise Agreement places upon their right to transfer their interests in the Partnership, LLC or Corporation, as set forth in this Agreement.

## **ARTICLE 28**

### **NOTICES**

Any and all notices required under this Agreement shall be in writing and shall be delivered by certified mail, return receipt requested, to the respective parties at the addresses indicated in the attached Addendum, Schedule 5, unless a different address has been designated by written notice to the other party.

Any notice by certified, registered or express mail, or overnight delivery service, shall be deemed to have been given at the earlier of the date and time of receipt or refusal of receipt or if by mail, four (4) business days after being deposited in the United States mail.

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

The parties hereto have duly signed, sealed and delivered this Franchise Agreement.

FRANCHISEE (Entity):

-----

Franchisor:

OPTIONS FRANCHISING, LLC

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

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

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

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

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

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

FRANCHISEE (Principal):

\_\_\_\_\_

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

FRANCHISEE (Principal):

\_\_\_\_\_

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

## EXHIBIT A

### GUARANTY OF OBLIGATIONS

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, and to induce Options Franchising, LLC (“**OPTIONS**”) to enter into their Franchise Agreement, the undersigned (jointly and severally, if more than one) unconditionally and personally guarantees to **OPTIONS**, its successors and assigns, the prompt payment and performance of any and all due amounts, indebtedness, obligations and liabilities of every kind or nature now or at any time hereafter owing to **OPTIONS**, by the franchisee identified in the Franchise Agreement ("Franchisee"), whether directly or indirectly, and the prompt, full and faithful performance and discharge by Franchisee of each of the terms, conditions, representations, warranties and provisions on the part of Franchisee contained in the Franchise Agreement or any modification, extension, renewal or substitution thereof.

The undersigned agree(s) that no extension, compromise, arrangement, alteration in time or method of payment, and no other act or omission by **OPTIONS** shall release or relieve the undersigned with respect to this Guaranty. The undersigned agree(s) on demand to pay or reimburse **OPTIONS** for all expenses, collection charges, and attorneys' fees, whether out of court or in litigation, including appeals in bankruptcy court proceedings incurred by **OPTIONS** in endeavoring to collect, enforce or defend **OPTIONS'** rights against Franchisee or under this Guaranty, with interest thereon subsequent to default at the highest lawful contract rate. The undersigned waive(s) (a) notice of demand, default, nonpayment, protest, any adverse change in Franchisee's financial condition, and all other notices to which Franchisee or the undersigned might otherwise be entitled, (b) the granting by **OPTIONS** of indulgences or extensions of terms of payment or performance, and (c) the release by **OPTIONS** of Franchisee, any guarantor or other person primarily or secondarily liable for failing to prosecute, collect or assert any remedies against any of them or against any collateral therein appertaining.

The undersigned agree(s) that no delay or failure on **OPTIONS'** part in the exercise of any right or remedy against Franchisee or any of the undersigned shall operate as a waiver thereof, and no single or partial exercise by **OPTIONS** of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

The undersigned agree(s) that this Personal Guaranty shall be fully assignable by **OPTIONS** and shall bind each of the undersigned, together with their heirs, legal representatives, successors and assigns directly, unconditionally and primarily:

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

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

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

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

## EXHIBIT B

### NON-DISCLOSURE AND NON-COMPETE AGREEMENT

This Non-disclosure and Non-compete Agreement (“**Agreement**”) is made and entered into effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between OPTIONS FRANCHISING, LLC, a Maryland Limited Liability Company (“**Company**”), located at 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, and \_\_\_\_\_ (“**Associate**”), who resides at \_\_\_\_\_.

- A. The Company is engaged in the business of operating, and selling franchises for the operation of businesses (“**Options For Senior America Franchise**” or “**Business**”) that offer companionship and personal care services and complex personal care services provided by home health aides, personal care providers, certified nurse assistants, licensed practical nurses and registered nurses to the aged, disabled, recovering, rehabilitating, and the convalescing in their own homes operating under the name and service marks of “Options” and/or “Options For Senior America .”
- B. The Company has developed distinctive methods for establishing, operating and promoting Options For Senior America Businesses which utilize certain confidential information, plans, methods, data, processes, marketing systems, techniques, operating procedures, advertising methods, trademarks, proprietary marks and information and know-how of the Company (“**Confidential Information**”), which Confidential Information may be further developed from time to time by the Company.
- C. The Company and its franchisees have established substantial goodwill and an excellent reputation with respect to the quality of services available, which goodwill and reputation have been and will continue to be of major benefit to the Company.
- D. Associate is or will become involved with an Options For Senior America Business in the capacity of a shareholder, limited liability company member, partner, or as an immediate family member of a franchisee, and will or may have access to certain Confidential Information.
- E. Associate and the Company have reached an understanding with regard to non-disclosure by Associate of Confidential Information and with respect to non-competition by Associate with the Company.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows:

#### AGREEMENT

1. **Confidential Information.** Associate acknowledges that much of the operations, marketing, advertising and related information and materials, and procedures that are developed and utilized in connection with the operation of Options For Senior America Businesses, are the Company’s Confidential Information. The Confidential Information is unique, exclusive property and a trade secret of the Company. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Company. Associate further acknowledges that the Company has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Company has taken numerous precautions to guard the secrecy of the Confidential Information, and that it

would be very costly for competitors to acquire or duplicate the Confidential Information.

By exception, and only upon request and after approval by Options Franchising Company, Associate may speak openly to another Potential Franchisee (who has also signed a non-disclosure agreement with Options), and to the extent they desire, about their experience with Options Franchising Company.

2. **Operations Manual as Trade Secret.** Associate understands that Confidential Information constitutes trade secrets of the Company. Confidential Information is deemed to include, without limitation, any and all information contained in the Options Operations Manual, which may be provided as one or more separate manuals, or written instructional guides, as they are changed or supplemented from time to time, customer lists, and any information of whatever nature which gives the Company an opportunity to obtain an advantage over its competitors that do not have access to, know, or use, the confidential written materials or information.
3. **Non-disclosure of Confidential Information.** Associate shall not at any time (1) publish, disclose, divulge or in any manner communicate, any of the Confidential Information to any person, firm, corporation, association, partnership or any other entity whatsoever; or (2) use, directly or indirectly, the Confidential Information for his or her own benefit, or for the benefit of any person, firm, corporation or other entity; other than to or for the use of the Company or the Options For Senior America Business with which Associate is associated.
4. **Non-compete Covenant.**
  - a. Associate expressly acknowledges that he or she possesses skills and abilities of a general nature and has other opportunities for exploiting those skills. Consequently, enforcement of the covenants in this paragraph will not deprive Associate of his or her ability to earn a living.
  - b. Associate covenants and agrees that (i) during the term of his or her association with an Options For Senior America Business, and (ii) for a period of two (2) years after the end of his or her association with an Options For Senior America Business neither Associate nor any member of his or her immediate family, within a fifty (50) mile radius of the Licensed Location (as defined in the Options Franchise Agreement) or any other Options For Senior America Business' location shall:
    - i. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a "Competitive Business"; or
    - ii. divert or attempt to divert any business related to, or any customer or account of any Options For Senior America Business or the Company's or its affiliates' (if any) businesses by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of any Options For Senior America Business or the Company's or its affiliates' (if any) businesses to any "Competitive Business" by any direct inducement or otherwise; or
    - iii. have any direct or indirect interest as a disclosed or beneficial owner in a "Competitive Business," (defined below).
  - c. The term "**Competitive Business**" as used in this Agreement means any business operating, or granting franchises or licenses to others to operate a business that offers companionship, comprehensive personal care, and transportation services or some but not all of those services, related products and services offered by Options For Senior America

Businesses to persons in their home who are aging, disabled, recovering, rehabilitating, convalescing, or otherwise in need of personal care services. Notwithstanding the foregoing, nothing in this Agreement shall prohibit Associate from owning securities in a Competitive Business if the securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

- d. If a court of competent jurisdiction determines that restrictions in the preceding paragraph are excessive in time, geographic scope, or otherwise, the court may reduce the restriction to the level that provides the maximum restriction allowed by law.
5. **Injunction.** Associate acknowledges and agrees that in the event of any breach or threatened breach of this Agreement by Associate, the Company shall be authorized and entitled to obtain, from any court of competent jurisdiction, preliminary and permanent injunctive relief, as well as an equitable accounting of all profits or benefits arising out of any such violation, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.
6. **Effect of Waiver.** The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.
7. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns.
8. **Entire Agreement.** This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.
9. **Governing Law.** This instrument shall be governed by and construed under the laws of the state of Maryland.
10. **Jurisdiction and Venue.** In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Maryland, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts located in Montgomery County, Maryland. Both parties waive any objection to the jurisdiction of these courts or to venue in Montgomery County, Maryland. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then the other state's laws shall control.
11. **Severability.** If any provision of this Agreement is held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason by any court of competent jurisdiction, government authority or otherwise, that holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.
12. **Costs of Enforcement.** In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and

reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if the successful party recovers judgment in any such action or **proceeding**, the costs, expenses and attorneys' fees shall be included as part of such judgment.

**Options Franchising, LLC**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**Associate**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Business Name

\_\_\_\_\_  
Address of Business

\_\_\_\_\_  
Address of Business

\_\_\_\_\_  
Associate's Capacity with Business



## EXHIBIT C

### RELEASE AGREEMENT

This Agreement is entered into on this day \_\_\_\_\_ by and between \_\_\_\_\_ (“Franchisee”) and Options For Senior America Franchising, LLC (Options) to release Franchisee from all obligations (except those accruing prior to the date of this Agreement, and those which are set forth in this Agreement below) under the Franchise Agreement previously executed by Franchisee and in accordance with the terms and conditions below:

Franchisee and Options signed a Franchise Agreement on \_\_\_\_\_, 20\_\_\_\_, under which the terms granted Franchisee the right to use the system and marks as licensed by Options in the operation of a business providing personal care services and companionship to clients developed by Franchisee. Franchisee has decided to either cease its business operations, transfer the Franchise Agreement, transfer the ownership of the Franchisee or some or all of the assets of the Options franchise, or enter into a successor to the Franchise Agreement. Following this decision by Franchisee, Franchisee has notified Options that it desires to terminate the Franchise Agreement and surrender all rights, interests and obligations under that agreement in exchange for a release of liability to Options (except as set forth in this Agreement). Options has agreed to release Franchisee from its obligations under the Franchise Agreement subject to the terms and conditions of this Agreement below.

IN CONSIDERATION of the mutual promises contained in this Agreement and other valuable consideration, receipt of which is acknowledged, Options and Franchisee agree as follows:

#### 1. Termination of Franchise Agreement

In exchange for the consideration set forth below, Options agrees to terminate the Franchise Agreement as requested by Franchisee and discharge Franchisee from all obligations under that Agreement (except for those obligations reserved in this Agreement). The termination of the Franchise Agreement and release of liability under that Agreement are expressly subject to Franchisee’s complete performance of all obligations under this Agreement. In the event that Franchisee fails to comply with any term or condition set forth in this Agreement, this Agreement shall be considered void and Options shall be entitled to pursue Franchisee for any damages arising under the Franchise Agreement.

#### 2. Consideration

In exchange for the termination of the Franchise Agreement and release of liability under that Agreement, Franchisee agrees as follows:

- a. To cease all operations from the location at which Franchisee was licensed to operate and to otherwise comply with the obligations of a terminated franchisee as set forth in Section 19 of the Franchise Agreement (and such obligations are expressly reserved and incorporated into this Agreement as the continuing obligation of Franchisee;
- b. To return to Options, at Franchisee’s expense, any and all materials of any nature that contain any mark which has been adopted and/or used by Options and/or any of its remaining franchisees, including, but not limited to, all operations manuals, training manuals, brochures, signs, advertising materials, displays, business cards, stationary, forms and any materials proprietary to Options or which contain any trademark, copyright, logo, name or other intellectual property right of Options (whether registered or not);

- c. To terminate all use of the names “Options” and “Options For Senior America” and any other name that may be confusingly similar to any name or mark adopted and/or used by Options and/or any of its remaining franchisees.
- d. To deliver to Options all manuals, software, records, files, instructions, correspondence, agreements, invoices, ledgers and all materials related to the operation of Franchisee’s business with expenses reimbursable to franchisee upon return of the aforementioned items and presentation of invoice for shipment.
- e. To account and pay to Options within 15 days from the date of this Agreement, all royalty and other fees that are due to Options under the terms of the Franchise Agreement;
- f. To take all action necessary to assign to Options the telephone number(s) for Franchisee’s business and any customer accounts as requested by Options (together with all records related to such accounts); and

### 3. **Acknowledgement of Non-Compete**

In addition to the consideration set forth in Section 2 above, Franchisee, by signing this Agreement below, acknowledges and agrees, on behalf of itself and its shareholders, officers, directors, members, agents, employees, representatives, successors and assigns that it will not take any action, either directly or indirectly, to interfere (or attempt to interfere) with or cause the termination of any business relationship between Options and any client for which Franchisee may have provided services. Furthermore, neither Franchisee nor any of its shareholders, officers, directors, members, agents, employees, representatives, successors and assigns may own, operate, maintain, advise, assist or have any financial or beneficial interest in (including any interest in any corporation, partnership, trust, limited liability company, association, joint venture or other entity) any business that is of a character and concepts similar to the business conducted by Franchisee, as specified in Section 17 of the Franchise Agreement, within a 50 mile radius of the Exclusive Area from which Franchisee operated its business and within a 50 mile radius of any remaining Options franchisee. This covenant against competition shall continue for a continuous and uninterrupted period of two (2) years from and after the date of this Agreement, as set forth in Section 17 of the Franchise Agreement, which shall remain in full force and effect after the date of this Agreement.

### 4. **Acknowledgement of Non-Liability**

Franchisee, by signing this Agreement below, acknowledges and agrees that neither he/ she nor any of its shareholders, officers, directors, members, agents, representatives, successors and assigns, have any claim, demand, right or cause of action of any kind or nature, whether contingent or accrued, against Options. To the extent that such a claim may exist, Franchisee expressly waives any such claim, regardless of whether such claim is now known or unknown, and agrees that he/ she will not initiate or cause to be initiated any litigation, lawsuit, claim, complaint or other proceeding of any type whatsoever against Options or any other person or entity that may relate to or arise out of any claim existing prior to the date of this Agreement.

### 5. **Release**

Franchisee, on behalf of its shareholders, officers, directors, members, agents, representatives, successors and assigns, fully releases and discharges forever Options and its shareholders, officers, directors, managers, agents, representatives, successors and assigns, from any and all claims, demands or actions that Franchisee had, has or may have against Options or any other person or entity for any and all liability of any kind and nature, in law or in equity, whether known or unknown, and arising out of, connected with or related to the Franchise Agreement, the operation of Franchisee’s business, any business relationship between Options and Franchisee or any other matter. Such Claims include, but are not limited to, all claims, demands, obligations, actions, liabilities and damages,

known or unknown, in any way arising from or relating to any relationship or transaction with the Franchisor or Franchisor Affiliates, and the franchise relationship, from the beginning of time until the date of this Release. In addition, Franchisee expressly releases Options from all obligations under the Franchise Agreement and any related agreements, including the exclusive territory granted under the Franchise Agreement. Franchisee acknowledges and agrees that Options intends to operate a business within the territory and Franchisee consents to such operation.

**6. Limitation on Application of Release**

The release of liability and waiver of claims set forth in this Agreement shall not apply to any claim for breach of this Agreement, for any claim of misrepresentation in this Agreement, nor shall it apply to any claim for indemnification as set forth in Section 7 below. Franchisee further acknowledges and agrees that Section 19 of the Franchise Agreement remains in full force and effect after the date of this Agreement.

**7. Indemnification**

Franchisee shall defend, protect, indemnify and hold Options harmless, including its shareholders, officers, directors, successors, representatives, agents and assigns, from and against any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including actual attorney fees and costs, arising out of, connected with, or resulting from Franchisee's operation of its business and any failure to comply with the terms and conditions of this Agreement.

**8. Choice of Law**

The terms of this Agreement are contractual and this Agreement shall be governed, interpreted, construed, and enforced according to the laws of the State of Maryland.

**9. Severability**

Any provision of this Agreement which is determined to be invalid or unenforceable for any reason shall not affect the remaining provisions of this Agreement unless the removal of the invalid or unenforceable provision shall substantially defeat the basic purpose of this Agreement. To the extent a court is able, any provision which is determined to be invalid or unenforceable as written, may be modified but only to the extent necessary to make such provision valid and enforceable.

**10. Binding Effect**

This Agreement shall be binding upon and inure to the benefit of Options and Franchisee, as well as their respective officers, directors, shareholders, members, partners, co-venturers, employees, agents, representatives, successors, assigns, and any other person or entity claiming by, through, or on behalf of Options or Franchisee. This Agreement shall not be binding upon or benefit any other person or entity and is not intended to confer on any other person or entity any rights, obligations or remedies under this Agreement.

**11. Execution in Counterparts**

This Agreement may be executed in counterparts and by facsimile. It is the intent of the parties that any such counterpart or facsimile shall be considered as valid and as enforceable as the original document provided that the signatures of both Options and Franchisee appear on such counterpart or facsimile.

**12. Authorization**

Options and Franchisee represent that each has the requisite legal capacity to execute this Agreement

and perform all of its terms and conditions. By signing this Agreement, Options and Franchisee acknowledge that they have duly executed and delivered this Agreement and that the individual signing this Agreement has full authorization to do so on behalf of that party. At the time of signing this Agreement, the below signatures are genuine and all necessary corporate activity has been taken to approve this Agreement by both parties. This Agreement, when executed and delivered, will be the legal, valid and binding obligation of both Options and Franchisee, enforceable against both according to the terms and conditions of this Agreement.

### **13. Voluntary Agreement**

Options and Franchisee further acknowledge and agree that each has had the opportunity to review this Agreement, that each understands the terms of this Agreement and that, by signing this Agreement below, each has entered into this Agreement freely and voluntarily without compulsion or duress. Both Options and Franchisee are executing this Agreement based upon their own evaluation and not based upon any representation or statement of any kind made by any other party to this Agreement, or their representatives (except for those representatives expressly set forth in this Agreement).

### **14. Entire Agreement**

This Agreement represents the entire understanding and agreement between Options and Franchisee regarding the release of liability set forth above. This document supersedes all prior agreements or negotiations between the parties relative to the subject matter of this Agreement and the release of each of the parties from liability to each other. This Agreement may be amended or modified only by a separate written agreement that makes specific reference to this Agreement and is signed by both Options and Franchisee.

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

THE PARTIES have reviewed this Release Agreement, have understood the terms of this Agreement, and have freely and voluntarily executed this Agreement, intending to be bound as set forth above, as of this \_\_\_\_\_ day of \_\_\_\_\_.

FRANCHISEE (Entity):

-----

Franchisor:

OPTIONS FRANCHISING, LLC

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

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

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

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

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

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

FRANCHISEE (Principal):

\_\_\_\_\_

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

FRANCHISEE (Principal):

\_\_\_\_\_

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

## EXHIBIT D

### SECOND TERRITORY ADDENDUM & AGREEMENT

The undersigned attest that **Options For Senior America Franchising, LLC** (“**Options Franchising, LLC**”, or “**Options**”) and \_\_\_\_\_ (“**Franchisee**”) are signing an Options Franchise Agreement (“**Agreement**”) simultaneously herewith and desire to supplement and amend certain terms and conditions of such Agreement by this Second Territory Addendum to Options Franchise Agreement (“**Addendum**”). Terms not otherwise defined herein shall have the same meanings as set forth in the Agreement. The parties therefore agree as follows:

Options Franchising, LLC has offered, and Franchisee has agreed, to purchase and develop two Businesses in two contiguous Territories simultaneously, the first of which (“**First Territory**”) is governed by a separate Franchise Agreement and the second of which (“**Second Territory**”) is governed by this Agreement and this Addendum. In consideration for Franchisee’s agreement to develop two Territories simultaneously, Options is charging a reduced initial franchise fee and allowing Franchisee to combine other aspects of the two Businesses, as set forth in this Addendum.

#### 1. Franchisee Office

Franchisee shall be allowed to operate the Businesses for the First Territory and for the Second Territory from the same Office Location, without violating any of the terms of the Agreement. The Office Location for the Second Territory shall be:

---

---

---

The final sentence of Section 1.4 shall be deleted and replaced with the following: “Franchisee shall not offer services that are part of the Licensed Methods from any location other than the Office Location, except with the prior written approval of Options”

#### 2. Office Equipment, Hardware and Software

Because Options is allowing Franchisee to maintain only one Office Location for two Businesses, Franchisee will not be required to purchase more than one computer hardware and software package for the Office Location serving both the First Territory and the Second Territory, pursuant to Section 5.10 of the Agreement.

#### 3. Royalties

Because Options is allowing Franchisee to maintain only one Office Location for two Businesses, Franchisee shall pay monthly royalties to Options (or the corresponding minimum monthly royalty) based on the combined sales revenues of both Businesses. This will place the Franchisee in a favorable financial situation as he/she would not be required to make two royalty payments per month (one for each Business) for each category of royalty.

#### 4. Telephone Lines

Because Options is allowing Franchisee to maintain only one Office Location for two Businesses, Franchisee shall be allowed to maintain two telephone lines at the Office Location for both Businesses. However, all other requirements of Section 5.2.g. shall apply to each of the Businesses.

**5. Multiple Franchisee Offices**

If Franchisee elects to have more than one office for his/her multiple Territories, each Office Location must be first approved by Options. In this instance, sections 2 and 3 above are rendered inapplicable, and thus Franchisee is required to pay monthly royalties for each of their offices independently of the other office(s). Furthermore and in this instance, section 4 above is also rendered inapplicable, and thus separate telephone lines at each Office Location must be provided \_\_\_\_\_ and \_\_\_\_\_ maintained.

**6. Cross Default**

The following shall be added at the end of Section 8.1.i of the Agreement: “Franchisee acknowledges and agrees that a default under the terms of the Franchise Agreement that governs the First Territory shall also be deemed a default under this Agreement and shall give Options the right to terminate this Agreement if a default under the Franchise Agreement governing the First Territory is not cured within the applicable cure period.”

**7. Inconsistent Terms.**

The terms and conditions of this Addendum are in addition to or in explanation of the existing terms and conditions of the Agreement and shall prevail over and supersede any inconsistent terms and conditions thereof.

Fully executed this day of \_\_\_\_\_.

FRANCHISEE (Entity):

-----

Franchisor:

OPTIONS FRANCHISING, LLC

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

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

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

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

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

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

FRANCHISEE (Principal):

\_\_\_\_\_

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

FRANCHISEE (Principal):

\_\_\_\_\_

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

## EXHIBIT E

### AUTHORIZATION FOR REPEATING ELECTRONIC FUND WITHDRAWALS

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

I (or We, if joint owners of the bank account referenced herein) authorize and request **OPTIONS FRANCHISING**, a Maryland Limited Liability Company ("Franchisor") to receive payments of all Royalty Fees, Marketing Fees, Technology Fees, and other fees that I/we owe Franchisor pursuant to the Franchise Agreement between Franchisor and me/us as these amounts become due and payable by initiating a payment entry to my/our account. The bank account information and the date on or immediately after which payment should be deducted from the bank account are set forth below. In addition, I/we authorize and request the financial institution to accept the payment entries presented to the financial institution and to deduct them from my/our account without responsibility or liability for the deduction or correctness of these payments.

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

Payment Frequency and Date: Monthly, on the 15<sup>th</sup> of each month.

#### **Bank Account Information**

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

Bank Address: \_\_\_\_\_

Routing Transit #: \_ \_ \_ \_ \_

Bank Account Number: \_\_\_\_\_

Account Type: ☐ Checking ☐ Savings

\*\*\*\*\* Please attach a voided check for this account \*\*\*\*\*

Signature: \_\_\_\_\_

Co-Signature: \_\_\_\_\_

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

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

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

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

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

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



## **EXHIBIT F**

### **COLLATERAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBERS, ADDRESSES, AND LISTINGS**

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

FOR VALUE RECEIVED, the undersigned Franchisee, hereby assigns to Franchisor those certain telephone numbers, addresses, domain names, locators, directories, listings, and e-mail addresses (collectively, the “Numbers, Addresses, and Listings”) associated with Franchisor’s trade and service marks and used occasionally in connection with the operation of the Franchise Business referred to herein. Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor shall notify the telephone, Internet, email, electronic network, directory, and listing entities with which Franchisee has dealt (all the entities are collectively referred to herein as “Provider Companies”) to effectuate the assignment pursuant to the terms hereof.

This assignment is effective only if Franchisee is in default of the Franchise Agreement to which this Assignment is attached, and Franchisee has failed to cure such defaults under the terms of the Franchise Agreement, or where the term of the Franchise Agreement to which this Assignment is attached has expired. Upon termination or expiration of the Franchise Agreement, Franchisor shall have the right and is hereby empowered to effectuate the Assignment of the Numbers, Addresses, and Listings, and in such event, Franchisee shall have no further right, title or interest in the Numbers, Addresses, and Listings, and shall remain liable to the Provider Companies for all past due fees owing to the Provider Companies.

Franchisee agrees and acknowledges that upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Numbers, Addresses, and Listings, and Franchisee irrevocably appoints Franchisor as Franchisee’s true and lawful attorney-in-fact, which appointment is couple with an interest to direct the Provider Companies to assign the same to Franchisor. The parties agree that the Provider Companies may accept this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the Numbers, Addresses, and Listings upon the termination or expiration of the Franchise Agreement.

**-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-**

**ASSIGNOR (FRANCHISEE):**

-----

**ASSIGNEE (OPTIONS FRANCHISING, LLC)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

The following Addendum (Schedules 1 to 5) to the Franchise Agreement ("Agreement") dated \_\_\_\_\_ by and between Options For Senior America Franchising, LLC ("Franchisor") and \_\_\_\_\_ ("Franchisee"), is made effective as of the \_\_\_\_\_ ("Effective Date").

This addendum shall be valid for the term as set forth in the Franchise Agreement. All other provisions of the Agreement shall remain in full force during the term of this Addendum.

## **SCHEDULE 1**

### **INITIAL FRANCHISE FEE**

Franchisee shall pay Franchisor a nonrecurring initial franchise fee in the amount of \$47,500 (forty-seven thousand and five hundred U.S. dollars) payable upon the execution of this Agreement. This fee is for a standard territory with a guaranteed senior population (age 65 plus) of **30,000 to 35,000**. The initial franchise fee is fully earned and is nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise.

## SCHEDULE 2

### **FRANCHISED TERRITORY, “ACCEPTED LOCATION”**

#### **(If defined by county)**

This franchise is for the geographic area as outlined by the county(ies) of \_\_\_\_\_ in the state of \_\_\_\_\_. The Franchised Territory is strictly defined by this county(ies) where home care services are provided by the Options franchise. Such home care services may be provided within the boundaries of the county(ies) where the care recipient resides, or at a facility where the care recipient is temporarily residing as long as such address is located within the strict boundary of this county(ies).

If for any reason the boundaries of the county listed above are relocated or revised during the term of this Agreement, Franchisor shall redefine the Franchised Territory so as to correspond as nearly as possible, in Franchisor’s sole and absolute discretion, as reasonably applied, to the original Franchised Territory, and Franchisor’s redefinition of the Franchised Territory shall be final and binding upon Franchisee.

or

#### **(If defined by zip codes)**

The Franchised Territory is defined by zip codes where home care services are provided by the Options franchise. Such home care services may be provided in the zip code where the care recipient resides, or at a facility where the care recipient is temporarily residing as long as such zip code is among the ones listed below. This franchise is for the geographic area for which the United States Postal Service has designated the following \_\_\_\_\_ zip codes in \_\_\_\_\_ county, state of \_\_\_\_\_:

City	Zip Code	Total Population	% of Senior Population	Number of Seniors

**Totals:**

If for any reason the boundaries or numbers of any zip code listed above are relocated, revised or eliminated during the term of this Agreement, Franchisor shall redefine the Franchised Territory so as to correspond as nearly as possible, in Franchisor’s sole and absolute discretion, as reasonably applied, to the original Franchised Territory, and Franchisor’s redefinition of the Franchised Territory shall be final and binding upon Franchisee.

A graphic representation of the Franchised Territory is shown below.

## SCHEDULE 3

### **ROYALTY FEES**

#### **3.1 Monthly Service Royalty Fee**

Franchisee agrees to pay Franchisor a continuing **monthly royalty fee equal to 5.00%** of monthly gross sales with said Gross Sales being generated by your Options For Senior America franchise. "Gross Sales" is defined as all cash receipts (cash, checks, credit card payments, electronic fund transfers, etc.) of every kind and nature made from the operation of the franchise, less applicable clients refunds.

The monthly Royalty fee will be calculated at the above percentage rate, **or at a minimum amount per month as listed below, whichever is greater:**

<u>Year</u>	<u>Min. Monthly Royalty</u>
1	\$500
2	\$700
3	\$1,200
4	\$1,500
5	\$1,800
6+	\$2,100

#### **3.2 Monthly Marketing Fee**

Franchisee agrees to pay Franchisor a continuing monthly marketing fee equal to **1.5% (one- and one-half percent) of the monthly Gross Sales** generated by your Options For Senior America franchise, **or \$300 per month whichever is greater.** "Gross Sales" is defined as above.

#### **3.3 Monthly Technology Fee**

Franchisee agrees to pay Franchisor a continuing monthly technology fee equal to **\$405/month.**

The Monthly Technology Fee includes four Options domain email addresses hosted on Microsoft Exchange and four licenses to Microsoft 365 Business Basic plan. The Technology fee also includes ongoing IT support and the use of QuickBooks which integrates with our preferred homecare agency management system, AxisCare. This fee is independent of the franchise's level of gross sales.

The above three ongoing fees (Service Royalty, Marketing, and Technology) may be waived for the first two months from date of completing the 5-day Initial Training. Alternatively, the franchisee may choose to be charged royalties for these first two months and receive \$3,000 in cash (\$1,500/month for these first two months) from the franchisor.

## SCHEDULE 4

### FRANCHISEE CONTACT INFORMATION

1. Manager

The name, home address, and phone numbers of the day-to-day manager of the Business (i.e. Franchisee or Franchisee's Manager):

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

Home address: \_\_\_\_\_

Home phone: \_\_\_\_\_

Cell phone: \_\_\_\_\_

2. Business Entity of Franchisee

The business entity of the Franchisee is a [Entity Type] with a Federal Employer Identification of \_\_\_\_\_. Date of incorporation is \_\_\_\_\_ and registered by the name of [Entity Name].

3. Franchise Officers

The following is a list of Franchisee's directors and officers as of the effective date of this Agreement:

Director/Officer/Partner	Position Held

4. Franchise Owners

The following list includes the full name and mailing address of each person who is a Franchise owner (as defined in the Franchise Agreement) and indicates the nature of each owner's interest.

Owner's Name, Address, & Social Security	Description of Interest	Percent Ownership (Must total 100%)

-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-

FRANCHISEE (or authorized agent if a corporation or other legal entity or authorized partner of a partnership):

Signature:\_\_\_\_\_

Signature:\_\_\_\_\_

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

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

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

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

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

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

## SCHEDULE 5

### NOTICES

#### **Notices to Franchisor:**

Options Franchising, LLC  
Attention: Franchise Department  
6 Montgomery Village Avenue  
Suite 330  
Gaithersburg, MD 20879

#### **Notices to Franchisee:**

[Entity Name]  
Attention:  
[Address]



**EXHIBIT B**

**AREA DEVELOPMENT AGREEMENT**

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**

**AREA DEVELOPMENT AGREEMENT**

**TABLE OF CONTENTS**

1.	RECITATIONS .....	3
2.	GRANT OF DEVELOPMENT RIGHTS.....	3
3.	TERM.....	3
4.	DEVELOPMENT AND FRANCHISE FEES. ....	3
5.	EXERCISE OF DEVELOPMENT RIGHTS. ....	4
6.	TRANSFER .....	6
7.	DEFAULT AND TERMINATION. ....	9
8.	NON-DISCLOSURE AND NON-COMPETITION COVENANTS.....	10
9.	INDEMNIFICATION.. ....	12
10.	DISPUTE RESOLUTION.....	13
11.	GENERAL .....	15

**ATTACHMENTS:**

ATTACHMENT 1: DEVELOPMENT AREA

## AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of \_\_\_\_\_, (the "Effective Date") by and between Options For Senior America Franchising, LLC, a Maryland limited liability company with its principal place of business located at 6 Montgomery Village Avenue, Suite 330, Gaithersburg, Maryland 20879 (herein "Franchisor") (herein "Franchisor") and \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (herein "Developer").

### RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a distinctive a home health care business using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive, décor, fixtures and furnishings, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the Options For Senior America service marks, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Pursuant to franchise agreements, Franchisor licenses to others the right to operate Options For Senior America outlets, using the Marks and System, in strict conformity therewith, which may be changed, improved and further developed by Franchisor from time to time (each a "Franchise Agreement").

Developer understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating franchised businesses of the System in conformity with Franchisor's standards and specifications.

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 1 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

**1. RECITATIONS.** The Recitations set out above form part of this Agreement.

**2. GRANT OF DEVELOPMENT RIGHTS.**

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.2 hereof, the right to develop, construct, open and operate one (1) Options For Senior America outlet within the Development Area set forth in Attachment 1. Developer shall be granted rights to establish additional Options For Senior America outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Section 5.2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Sections 5.1 and 5.4 hereof.

2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation and distribution of Options For Senior America products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's right to the rights to (i) offer and sell other products or services not offered under the Marks; (ii) offer and sell Options For Senior America products or services at non-traditional or captive market venues, which includes distribution through kiosks, carts, counters, stores-within-a-store, grocery stores, convenience stores, amusement or theme parks, sports stadiums and arenas, enclosed shopping centers, military bases, airports, train stations, and gas stations; and (iv) engage in solicitation and sales of Options For Senior America products or services through the Internet, catalog sales, telemarketing and direct marketing.

2.3 No License to System and Marks. Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate a Options For Senior America outlet, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more Options For Senior America outlets in the Development Area only. Developer's rights to open and operate a Options For Senior America outlet and use the System and Marks shall be derived only through the execution of a Franchise Agreement for each Options For Senior America outlet to be established in the Development Area.

**3. TERM.** Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Franchisor under this Agreement shall expire on the date on which Developer successfully and in a timely manner has complied with all of Developer's obligations hereunder and has completed the development obligations in accordance with the Development Schedule.

**4. DEVELOPMENT AND FRANCHISE FEES.**

4.1 Development Fee. In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee equal to Eighty-One Thousand Two Hundred Fifty Dollars (\$81,250.00) for three (3) Options For Senior America outlets, plus an additional Seven Thousand Five Hundred Dollars (\$7,500) for each additional Options For Senior America outlet (if applicable) Developer agrees to develop as set forth on the Mandatory Development Schedule (the "Development Fee"). The Development Fee is fully earned at the time this Area Development Agreement is signed and is not refundable under any

circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement.

**4.2 Application of Development Fee.** Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first Options For Senior America outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a Forty-Seven Thousand and Five Hundred (\$47,500.00) credit from the Development Fee, which shall be payment in full of the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of the second Franchise Agreement, Developer shall receive a Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00) credit from the Development Fee for the second Franchise Agreement, which shall be applied as partial payment toward the Initial Franchise Fee of Thirty Seven Thousand and Five Hundred Dollars (\$37,500.00) then due pursuant to the second Franchise Agreement. Contemporaneous with the execution of the second Franchise Agreement, Developer shall promptly pay the balance of Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00) toward the Initial Franchise Fee due thereunder. Upon the execution of the third Franchise Agreement, Developer shall receive a Fifteen Thousand Dollars (\$15,000.00) credit from the Development Fee for the third Franchise Agreement, which shall be applied as partial payment toward the Initial Franchise Fee of Thirty Thousand Dollars (\$30,000.00) then due pursuant to the third Franchise Agreement. Contemporaneous with the execution of the third Franchise Agreement, Developer shall promptly pay the balance of Fifteen Thousand Dollars (\$15,000.00) toward the Initial Franchise Fee due thereunder. Upon the execution of the fourth and each additional Franchise Agreement pursuant to the Mandatory Development Schedule, Developer shall receive a Seven Thousand Five Hundred Dollars (\$7,500.00) credit from the Development Fee for each additional Franchise Agreement, which shall be applied as partial payment toward the Initial Franchise Fee of Fifteen Thousand Dollars (\$15,000.00) then due pursuant to each additional Franchise Agreement. Contemporaneous with the execution of each additional Franchise Agreement, Developer shall promptly pay the balance of Seven Thousand Five Hundred Dollars (\$7,500.00) toward the Initial Franchise Fee due thereunder. Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation or partnership, for the sole purpose of entering into a Franchise Agreement and operating the Options For Senior America outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

## **5. EXERCISE OF DEVELOPMENT RIGHTS.**

**5.1 Valid Exercise.** Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each Options For Senior America outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor's current form of Franchise Agreement for the first Options For Senior America outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent Options For Senior America outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in in Section 4.2 hereof. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to each additional Options For Senior America outlet. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other

than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open and operate each of Developer's Options For Senior America outlets in the Development Area.

5.2 Mandatory Development Schedule. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for Developer's first Options For Senior America outlet, Developer shall execute an additional Franchise Agreement for the development of the second Options For Senior America outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the execution of a lease for each subsequent Options For Senior America outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next Options For Senior America outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the Options For Senior America outlets in accordance with the following schedule:

Outlet for Development	Mandatory Open Date
1	12 months following the Effective Date
2	24 months following the Effective Date
3	36 months following the Effective Date
4+	48 months following the Effective Date

Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement.

5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. Any request for an extension must be in writing and submitted to Franchisor at least sixty (60) days prior to the Mandatory Open Date for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

5.4 Conditions to Exercise Developer's Rights. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional Options For Senior America outlet in accordance with Section 4.2 hereof and pursuant to a Franchise Agreement:

5.4.1 Developer shall (i) request Franchisor's then-current Franchise Disclosure Document, (ii) submit to Franchisor all information and other documents requested by Franchisor prior to and as a basis for the issuance of Franchise Agreements in the System, (iii) submit to Franchisor all financial statements reasonably requested by Franchisor, and (iv) satisfy Franchisor's then-current financial criteria.

5.4.2 Developer shall be in full compliance with this Agreement, the Mandatory Development Schedule, and all Franchise Agreements with Franchisor and any other agreement with Franchisor or Franchisor's affiliates;

5.4.3 Developer has demonstrated the management skills necessary for competent operation, organization, customer service and record keeping of an additional Options For Senior America outlet as determined by Franchisor, in Franchisor's sole discretion.

5.5 Termination for Failure of Condition. Notwithstanding anything to the contrary contained herein, in the event that Franchisor determines, in Franchisor's sole and absolute discretion, that any condition set forth in Section 5.4 hereof cannot be satisfied, Franchisor may terminate this Agreement upon written notice to Developer. Termination of this Agreement in accordance with this Section 5.5 shall have no effect on the validity of any other agreement between Franchisor and Developer, provided that Developer is in full compliance therewith.

5.6 Developer agrees to manage each Franchised Business pursuant to the Mandatory Development Scheduled him/herself, or maintain a fully trained Manager. Developer will also take all such steps as are necessary to ensure good customer relations.

## **6. TRANSFER**

### **6.1. Transfers by Franchisor.**

6.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

6.1.2. Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of

Developer's Options For Senior America outlets).

6.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor or any of its affiliates to remain in any line of business or to offer or sell any products or services to Developer.

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey, pledge, mortgage or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:

6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees.

6.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate multiple Options For Senior America outlets and to comply with this Agreement;

6.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;

6.3.5 The transferee has executed Franchisor's then-standard form of Area Development Agreement, which may have terms and conditions different from this Agreement, for a term no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;

6.3.6 Developer and the transferee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

6.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the transferee's



development obligations. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Developer's development rights on such terms and conditions. Developer shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

6.3.8 If Developer, through Developer or any entity, finances any part of the sale price of the Transfer, Developer agrees that all obligations of the transferee under any notes, agreements or security interests to Developer or Developer's entity will be subordinate to the transferee's obligations to Franchisor.

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to Ten Thousand Dollars (\$10,000.00).

#### 6.5 Franchisor 's Right of First Refusal.

6.5.1 If Developer wishes to transfer all or part of his or her interest in this Agreement pursuant to any bona fide offer received from a third party to purchase such interest, then Developer shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

6.5.2 Franchisor has the right, exercisable by written notice to Developer within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement for the price and on the terms and conditions contained in the offer.

6.5.3 Developer further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the third-party offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from Developer all customary representations and warranties given by a seller of franchise development rights.

6.5.4 If Franchisor does not exercise its right to buy within thirty (30) days, Developer may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor 's prior written approval pursuant to Section 6.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the executor, administrator, conservator or other personal representative of Developer shall transfer Developer's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the

conditions for Transfers in this Article 6 and unless transferred by gift, devise or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Developer from supervising the development and operation of Developer's Options For Senior America outlets continuously for six (6) months from its onset.

## **7. DEFAULT AND TERMINATION.**

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's 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 Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's Options For Senior America outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

7.2 Defaults With No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:

7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;

7.2.2 falsifies any report required to be furnished Franchisor hereunder;

7.2.3 fails to comply with any federal, state or local law, rule or regulation, applicable to the development and operations of Developer's Options For Senior America outlets;

7.2.4 fails to develop the Options For Senior America outlets in accordance with the Mandatory Development Schedule.

7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;

7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that may harm the reputation of the System or the goodwill associated with the Marks;

7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor or any of its affiliates or suppliers and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

**7.3 Curable Defaults.** Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:

7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Section 7.2;

7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.

**7.4. Post-Termination Obligations.** Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

## **8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.**

**8.1 Confidential Information.** Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, services, equipment, technologies and procedures relating to the operation of Options For Senior

America franchises; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of Options For Senior America outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

8.2 Protection of Information. Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.

8.3 Noncompetition Covenants. Developer acknowledges that, pursuant to this Agreement and the Franchise Agreement(s), Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of Options For Senior America outlets, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:

8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's Options For Senior America outlets or of other developers or franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any capacity in any restaurant, shop or food truck or other business that derives its revenues from the sale of mac and cheese or any other product offered by any outlets in the Options For Senior America System ("Competitive Business"); or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor, Franchisor's affiliate-owned outlets, or any Options For Senior America developers or franchisees.

8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's Options For Senior America outlets or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any

Competitive Business within twenty-five (25) miles of the Development Area or of any Options For Senior America location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor, Franchisor's affiliate-owned outlets, or any Options For Senior America developers or franchisees.

8.4 Reasonableness of Restrictions. Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

8.6 Injunctive Relief. Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.

8.7 No Defense. Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

**9. INDEMNIFICATION.** TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC, AND ANY OF ITS PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "OPTIONS FOR SENIOR AMERICA INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S OPTIONS FOR SENIOR AMERICA OUTLETS TO BE DEVELOPED HEREUNDER, INCLUDING BUT NOT LIMITED TO, CLAIMS RELATED TO DEVELOPER'S CONTRACTS, EMPLOYEES OR AGENTS OR CONSTRUCTION, ADVERTISING OR OTHER BUSINESS PRACTICES. DEVELOPER AGREES TO PAY FOR ALL THE OPTIONS FOR SENIOR AMERICA INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR

DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE OPTIONS FOR SENIOR AMERICA INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE OPTIONS FOR SENIOR AMERICA INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE OPTIONS FOR SENIOR AMERICA INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE OPTIONS FOR SENIOR AMERICA INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE OPTIONS FOR SENIOR AMERICA INDEMNITEES.

\_\_\_\_\_  
Initial

## 10. DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 11.6 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

10.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Developer shall provide Franchisor with written notice of Developer's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Developer's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

### 10.3 Arbitration.

10.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 10.4, any dispute between Franchisor and Developer arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 10.1 or 10.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

10.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in McLennan, Texas or, if

Franchisor so elects, at the offices of the American Arbitration Association or in the county where the principal place of business of Developer is then located.

10.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Developer, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

10.3.4 The provisions of this Section 10.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

10.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone or rescind the effectiveness of any termination of this Agreement.

10.3.6 Except as expressly required by law, Franchisor and Developer shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

10.4 Exceptions. Notwithstanding the requirements of Sections 10.2 or 10.3, the following claims shall not be subject to mediation or arbitration:

10.4.1 Franchisor's claims for injunctive or other extraordinary relief;

10.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

10.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

10.4.4 enforcement of Developer's post-termination obligations, including but not limited to, Developer's non-competition covenants.

10.5 Governing Law and Venue. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Texas. Developer, except where specifically prohibited by law, hereby irrevocably submit himself and/or herself to the sole and exclusive jurisdiction of the state and federal courts in McLennan, Texas. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

10.6 Mutual benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

10.7 Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.

10.8 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.

10.9 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred.

10.10 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

## **11. GENERAL**

11.1 Independent Licensee. Developer is and shall be an independent licensee under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the Options For Senior America outlets.



11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.

11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

11.4 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named.

11.5 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

11.6 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.

11.7 Effect of Waivers No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.8 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

11.9 Consent to Do Business Electronically. The parties to this Area Development Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Texas, the parties hereby affirm to each other that they agree with the terms of this Area Development Agreement and its Attachments, and by attaching their signature electronically to this Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on an electronic signature as the respective party's signature.

11.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

11.11 Survival. Any obligation of Developer that contemplates performance of such obligation after termination, expiration or transfer of this Agreement shall be deemed to survive such termination, expiration or transfer.

11.12 Entire Agreement. This Agreement is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Developer, provided that nothing in this Agreement is intended to disclaim the representations made to Developer in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

**-SIGNATURES APPEAR ON FOLLOWING PAGE(S)-**

The parties hereto have executed this Area Development Agreement in on the day and year first above written.

FRANCHISOR:  
OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC

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

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

DEVELOPER:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

DEVELOPER:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## **ATTACHMENT 1**

### **DEVELOPMENT AREA**

(insert map and/or define by zip codes):

## EXHIBIT C

### AGENCIES & AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT D**

**OPERATIONS MANUAL**

**Table of Contents**

SECTION NUMBER AND NAME	LETTER NAME	LETTER NUMBER
I. Personnel	Pay Administration Guidelines	PPL-1-01
	Performance Appraisal	PPL-1-02
	Vacation and Holidays	PPL-1-03
	Staff Training and Education	PPL-1-04
	Health Insurance	PPL-1-05
	Disability Leave of Absence	PPL-1-06
	Equal Employment Opportunity	PPL-1-07
	Harassment	PPL-1-08
	Worker's Compensation	PPL-1-09
	Misconduct and Dismissal	PPL-1-10
	Options 401(K) Retirement Plan	PPL-1-11
	Performance Plan	PPL-1-12
	Term Life Insurance	PPL-1-13
	Loans to Staff	PPL-1-14
	Dress Code	PPL-1-15
	Wage & Hour Rules for Managers	PPL-1-16
	Wage & Hour Rules for Non-Exempt Employees	PPL-1-17
II. Administrative	Office Attendance	PPL-2-01
	Smoking at the Workplace	PPL-2-02
	Confidential Information	PPL-2-03
	Complaints and Grievances	PPL-2-04
	Additional Office Staff	PPL-2-05
	Computer Systems	PPL-2-06
	Business Expense Reimbursement	PPL-2-07
	Part-Time Employees	PPL-2-08
	Printing Supplies	PPL-2-09
	Billing Information	PPL-2-10
	Care Recipient & Client Records	PPL-2-11
	Parking Expense Subsidy	PPL-2-12
	Inclement Weather	PPL-2-13

SECTION NUMBER AND NAME	LETTER NAME	LETTER NUMBER
III. Sales, Marketing, and Customer Service	Exhibits and Conferences	PPL-3-01
	Advertising	PPL-3-02
	Needs Assessment & Quality Assurance	PPL-3-03
	Presentation and Disclosure	PPL-3-04
	Service Plan (if required by state)	PPL-3-05
	Client Rights, Responsibilities & Complaints	PPL-3-06
	Private Home Care Services	PPL-3-07
	Service Agreements	PPL-3-08
	Documentation of Serv. Provided (if required by state)	PPL-3-09
	Client/Patient Acceptance Criteria	PPL-3-10
	Institution Appreciation	PPL-3-11
	Medically Frail Care Recipients	PPL-3-12
IV. Care Providers	Pay Scales	PPL-4-01
	Loans and Advances	PPL-4-02
	Recognition and Awards	PPL-4-03
	Vigilance and Liabilities	PPL-4-04
	Screening of New Caregivers	PPL-4-05
	Code of Conduct	PPL-4-06
	Infection Control	PPL-4-07
	Performance Evaluation (if required by state)	PPL-4-08
	Medically Related Tasks (if required by state)	PPL-4-09
	Complex Care & Skilled Nursing	PPL-4-10
V. Financial Matters	Operational Budgets	PPL-5-01
	Care Provider Weekly Pay	PPL-5-02
	Petty Cash Administration	PPL-5-03
	Accounts Payable	PPL-5-04

Note:

Approximate number of pages of the Operations Manual (aka Policy & Procedure Manual) is: 150 pages.



## **EXHIBIT E**

### **FRANCHISED OUTLETS**

#### **List of Current Franchisees**

As of December 31, 2024, the current franchisees are listed below:

<p style="text-align: center;"><b><u>Georgia</u></b></p> <p style="text-align: center;">Options For Senior America (registered as Optimized Solutions, Inc.) Mr. Phillip Evans 3190 Northeast Expressway, Suite 420 Atlanta, GA 30341 404.634.1111</p>
<p style="text-align: center;"><b><u>Indiana</u></b></p> <p style="text-align: center;">Options For Senior America (registered as Faith With Works, LLC) Ms. Bridgette Knight and Mr. Chad Knight 8488 Georgia Street, Suite D Merrillville, IN 46410 219.321.9130</p>
<p style="text-align: center;"><b><u>North Carolina</u></b></p> <p style="text-align: center;">Options For Senior America (registered as Triad Family Care Services) Ms. Evelyn Yalung 215 Alamance Road Burlington, NC 27215 336.270.6647</p> <p style="text-align: center;">Options For Senior America (registered as MBM Homecare, Inc.) Mr. Robert Bedwell and Dr. C. Ashley Mann 315 East Chatham Street, Suite 300 Cary, NC 27511 919.380.6812</p>
<p style="text-align: center;"><b><u>Pennsylvania</u></b></p> <p style="text-align: center;">Options For Senior America (registered As McGovern Partners, LLC) Ms. Christine McGovern 175 Strafford Avenue, Suite One Wayne, PA 19087 610.975.4422</p>
<p style="text-align: center;"><b><u>Texas</u></b></p> <p style="text-align: center;">Options For Senior America (registered as MKR Unlimited, Inc.) Mr. Michael Routen and Ms. Kellie Routen 6510 Circo Drive,</p>

Granbury, Texas 76049  
817.275.3643

**Virginia**

Options For Senior America  
(registered as Chebli Health Care, LLC)  
Ms. Maya Khouja  
11350 Random Hills Rd, Suite 800  
Fairfax, VA 22030  
571.449.6781

Options For Senior America  
(registered as Home Care Companion, LLC)  
Mr. Christophe Asmar  
13800 Coppermine Road, Suite 125-A  
Herndon, VA 20171  
571.999.5464

Options For Senior America  
(registered as Home Care Companion, LLC)  
Mr. Christophe Asmar  
13800 Coppermine Road, Suite 125-B  
Herndon, VA 20171  
571.999.5464

Options For Senior America  
(registered as Home Care Companion, LLC)  
Mr. Christophe Asmar  
13800 Coppermine Road, Suite 125-C  
Herndon, VA 20171  
571.999.5464

Options For Senior America  
(registered as Chebli Health Care, LLC)  
Ms. Maya Khouja  
10432 Balls Ford Road, Suite 300  
Manassas, VA 20109  
571.449.6781

Options For Senior America  
(reg. as Maximum Homecare Solutions, LLC)  
Ms. Analiza Sagudan  
7830 Backlick Road, Suite 200-A  
Springfield, VA 22150  
571.416.8260

**List of Franchisees with Signed Agreements Whose Outlets Are Not Yet Open**

**Florida**

Options For Senior America  
(registered as Bourillon Solutions LLC)  
Ms. Fabiola Izchel Juarez Bourillon  
7061 Grand National Drive  
Suite 105-C  
Orlando, FL 32819  
+1 647.922.0557

Options For Senior America  
(registered as Soave Care LLC.)  
Mr. Simon Suarez  
2300 Palm Beach Lakes Blvd  
Suite 300A  
West Palm Beach, FL 33409  
+34.657.014.043

**Michigan**

Options For Senior America  
(reg. as MTI Home Care LLC)  
Ms. Munkhtuya Ganbaatar  
24 Frank Lloyd Wright Drive  
Ann Arbor, MI 48105  
571.416.8260

**Texas**

Options For Senior America  
(registered As CareSol. LLC)  
Ms. Nasir Jamal  
Houston, TX  
966.531.377.429

Options For Senior America  
(registered as Brooklands Acquisitions LLC)  
Mr. Kayode Ayodele Adebayo and Dr. Olubukola Moninuola Adebayo  
3300 Dallas Parkway  
Suite #200  
Plano, TX 75093  
469-949-2767

### **List of Former Franchisees**

As of December 31, 2024, former franchisees who terminated during 2023 were:

#### **Arizona**

Options For Senior America  
(registered as AA Care, LLC)  
Ms. Sally Ali  
920 W. Chandler Blvd., Suite 3  
Chandler, AZ 85225  
480.673.3888

#### **Florida**

Options For Senior America  
(registered as Gold Star Care Enterprise, LLC)  
Mr. Ruben Beauchamp  
7061 Grand National Drive, Suite 105-C  
Orlando, FL 32819  
407.203.3100

### **List of Corporate-Owned Outlets**

#### **Maryland**

Options For Senior America, Gaithersburg  
6 Montgomery Village Avenue, Suite 330  
Gaithersburg, MD 20879  
Tel. 301-562-3100  
Fax 301.562.1161

## **EXHIBIT F**

### **FINANCIAL STATEMENTS**

Audited Financial Statements for 3 years as of December 31, 2022, December 31, 2023, and December 31, 2024, follow this page.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**

Annual Financial Statements

and Auditors' Report

December 31, 2024



## **CONTENTS**

	<b><u>PAGE</u></b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1-2</b>
<b>FINANCIAL STATEMENTS</b>	
Balance Sheet	<b>3</b>
Statement of Operations and Member's Equity	<b>4</b>
Statement of Cash Flows	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6-13</b>



## Blystone & Bailey

Jill Bourland, CPA  
Paul G. Truman, CPA  
Glen D. Blystone, CPA  
Thomas J. Bailey, CPA

**Certified Public Accountants**  
619 S Mission Street  
Mt. Pleasant, MI 48858  
(989) 772-4673 | Fax (989) 772-6371  
Mt Pleasant | Midland | Canadian Lakes | Gaylord  
[www.blystonebailey.com](http://www.blystonebailey.com)

Bart N. Blystone, CPA  
Jonathon T. Crowley, CPA  
Leah M. Rau, CPA  
Nathan J. Haines, CPA

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Options for Senior America Franchising, LLC  
6 Montgomery Village Avenue, Suite 330  
Gaithersburg, MD 20879

#### **Opinion**

We have audited the accompanying financial statements of Options for Senior America Franchising, LLC, which comprise the balance sheet as of December 31, 2024, and the related statement of operations and member's equity, and cash flows for the year 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 Options for Senior America Franchising, LLC as of December 31, 2024, and its results of its operations and its cash flows for the year 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Options for Senior America 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.

#### **Correction of Error**

As discussed in Note 8 to the financial statements, certain errors resulting in understatement of amounts previously recorded for accounts receivable, and overstatement of cash and deferred revenue as of December 31, 2023 were discovered by management of the Company during the current year. Accordingly, beginning of the year amounts reported for cash, accounts receivable and deferred revenue have been restated in the 2024 financial statements now presented, and an adjustment has been made to member's equity as of December 31, 2023 to correct the error. Our opinion is not modified with respect to that matter.

#### **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 the 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 Options for Senior America 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.



## **Auditors' Responsibility 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, including omissions, 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 Options for Senior America 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 evaluating 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 Options for Senior America 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.

*Blystone & Bailey, CPAs PC*

**Blystone & Bailey, CPAs, PC**

Mt. Pleasant, MI

February 8, 2025

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**BALANCE SHEET**  
**DECEMBER 31, 2024**

**ASSETS**

**2024**

**Current assets**

Cash	\$ 229,104
Accounts receivable, net	73,170
	<hr/>
<b>Total current assets</b>	<b>302,274</b>

**Other assets**

Intangibles	1,941,657
Goodwill	1,407,063
	<hr/>
	3,348,720
Less: Accumulated amortization	(251,154)
	<hr/>
<b>Net other assets</b>	<b>3,097,566</b>
	<hr/>
<b>Total assets</b>	<b>\$ 3,399,840</b>
	<hr/>

**LIABILITIES**

**Current liabilities**

Deposits on hold	\$ 24,860
Deferred revenue - current	173,758
	<hr/>
<b>Total current liabilities</b>	<b>198,618</b>

**Long-term liabilities**

Deferred revenue - long-term	184,628
	<hr/>
<b>Total liabilities</b>	<b>383,246</b>

**MEMBER'S EQUITY**

<b>Total member's equity</b>	<b>3,016,594</b>
	<hr/>
<b>Total liabilities and member's equity</b>	<b>\$ 3,399,840</b>
	<hr/>

See auditors' report and notes to the financial statements.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**STATEMENT OF OPERATIONS AND MEMBER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b><u>2024</u></b>
<b>Revenues</b>	
Franchise fees	\$ 51,378
Royalties	336,627
Marketing fees	49,492
Technology fees	65,060
Other	16,022
	<hr/>
<b>Total operating revenue</b>	518,579
<b>Cost of sales</b>	
Franchise advertising	8,913
Salaries and wages	17,852
Franchising costs	3,600
Software development	11,988
Broker's fees	108,600
Legal	17,763
	<hr/>
<b>Total cost of sales</b>	168,716
	<hr/>
<b>Gross profit</b>	349,863
<b>Operating expenses</b>	
Rent	17,365
Insurance	7,207
Other taxes	25
Office supplies and expenses	14,576
Bank charges	541
Postage	959
Accounting	673
Consulting	11,304
Dues and subscriptions	8,874
Travel	8,974
Meetings/seminars	15,892
	<hr/>
<b>Total operating expenses</b>	86,390
	<hr/>
<b>Income (loss) from operations</b>	263,473
<b>Other income (expenses)</b>	
Amortization	(251,154)
	<hr/>
<b>Total other income (expenses)</b>	(251,154)
	<hr/>
<b>Net income (loss)</b>	\$ 12,319
<b>Member's equity at beginning of period - restated</b>	170,277
Contributions	3,348,720
Distributions	(514,722)
	<hr/>
<b>Member's equity at end of period</b>	<b><u>\$ 3,016,594</u></b>

See auditors' report and notes to the financial statements.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**2024**

**Cash flows from operating activities**

Net income (loss)	\$ 12,319
-------------------	-----------

**Adjustments to reconcile net income (loss) to net cash provided by operating activities**

Amortization	251,154
(Increase) decrease in accounts receivable	(40,846)
Increase (decrease) in payroll liabilities	(937)
Increase (decrease) in deposits on hold	24,860
Increase (decrease) in deferred revenue - current	161,080
Increase (decrease) in deferred revenue - long-term	<u>100,542</u>

<b>Total adjustments</b>	<u>495,853</u>
--------------------------	----------------

<b>Net cash provided (used) by operating activities</b>	508,172
---	---------

**Cash flows from investing activities**

Acquisition of intangibles	(1,941,657)
Acquisition of goodwill	<u>(1,407,063)</u>

<b>Net cash provided (used) by investing activities</b>	<u>(3,348,720)</u>
---	--------------------

**Cash flows from financing activities**

Capital contributions	3,348,720
Capital distributions	<u>(514,722)</u>

<b>Net cash provided (used) by financing activities</b>	<u>2,833,998</u>
---	------------------

<b>Net increase (decrease) in cash</b>	(6,550)
--	---------

<b>Cash and equivalents at beginning of year - restated</b>	<u>235,654</u>
---	----------------

<b>Cash and equivalents at end of year</b>	<u><u>\$ 229,104</u></u>
--	--------------------------

See auditors' report and notes to the financial statements.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements.

The financial statements and notes are representations of management, who is responsible for their integrity and objectivity.

**NATURE OF BUSINESS**

Options for Senior America Franchising, LLC (the Company) was organized as a Maryland limited liability company on July 13, 2005, for the purpose of franchising under the trade name “Options for Senior America.”

On April 9, 2024, Options for Senior America Franchising, LLC acquired OSAF Holding Company through a tax-free reorganization under section 368(a)(1)(F) of the Internal Revenue Code. In this transaction, OSAF Holding Company was merged into Options for Senior America Franchising, LLC. Options for Senior America Franchising, LLC being the surviving entity. This transaction was structured to qualify as a tax-free exchange, and as such, it does not result in the recognition of gain or loss for tax purposes. Under ASC 805 the change in ownership is treated as an acquisition under GAAP purposes.

The Company’s franchises currently offer nonmedical in-home personal assistance, such as in-home personal care and companionship, childcare, meal preparation, medical reminders, medical and social appointment scheduling and management, organization and bill-paying assistance, housecleaning services and light home maintenance to seniors and others who need help with daily living activities. The Company sells its franchises throughout the United States of America. The franchising of nonmedical in-home personal assistance is regulated by the Federal Trade Commission and various state authorities.

**MEMBER’S EQUITY**

The member’s equity consists of equity and membership units. The authorized membership units of the Company consist 1,000 units of membership. Distributions and profits and losses are allocated ratably among the member unit holders based on the number of units outstanding.

**BASIS OF ACCOUNTING**

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned, rather than when received, and expenses are recognized when obligations are incurred, rather than paid.

**CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ACCOUNTS RECEIVABLE**

As a condition of the franchise, franchisees are required to make monthly payments for royalties generally representing 4.75% of franchisee's gross sales, plus 0.5% of a franchisee's gross sales for marketing fees, along with monthly technology fees. These receivables are stated at net realizable value, credit losses are estimated by management using relevant available information, from both internal and external sources, relating to past events, current conditions, reasonable and supportable forecasts. The Company determined no allowance for credit losses was necessary at December 31, 2024.

**FAIR VALUE MEASUREMENT**

ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. When determining fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market assumptions that market participants would use when pricing the asset or liability. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the inputs of the fair value hierarchy are: Level 1 – quoted prices in active markets for identical assets; Level 2 – significant other observable inputs; and Level 3 – significant unobservable inputs.

The recorded values of accounts receivable, accounts payable, and accrued liabilities approximate fair values due to their short maturities.

**INTANGIBLES**

The Company's identifiable intangible assets consist of franchise agreements. The identifiable intangible assets are reviewed for impairment whenever events and circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted operating cash flows expected to be generated by the asset. If such assets considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. In the initial year of recognition intangible values were determined using the market multiples approach. As of December 31, 2024 the Company determined that there were no indicators of impairment of intangibles.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOODWILL**

The Company accounts for acquisitions under the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) 805, *Business Combinations*. Identifiable intangible assets that are separable from goodwill and have determinable useful lives are valued separately and amortized over their estimated useful lives.

Goodwill represents the excess of cost over the net assets for an acquired business. Management has elected to amortize goodwill in accordance with (ASC) 350, *Intangibles – Goodwill and Other*, accordingly the Company amortizes goodwill on a straight-line basis over a ten-year period. In the initial year of recognition goodwill was determined using the market multiples approach. As of December 31, 2024 the Company determined that there were no indicators of impairment of goodwill.

The Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2021-03 Goodwill and Other (Topic 350), the accounting alternative that allows it to evaluate goodwill impairment triggering events only at the end of each reporting period, rather than continuously.

**REVENUE RECOGNITION**

The Company follows a five-step model in determining the timing and recognition of revenue based on the following: (1) Company has entered into a binding agreement; (2) performance obligations have been identified; (3) transaction price to the customer has been determined; (4) transaction price has been allocated to the performance obligations in the contract; and (5) performance obligations have been satisfied.

The Company's franchise agreement outlines the rights and responsibilities of the Company and its franchisees and requires the Company to perform various activities to support the brand that do not directly transfer goods and services to the franchisee. The Company determined it has a single performance obligation, which is the transfer of the franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality and substantially all of the utility is derived from its association with the Company's past or ongoing activities.

The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Company are highly interrelated with the franchise license and as such, are considered to represent a single performance obligation.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fees; (b) continuing franchise fees (royalties); (c) marketing fees; and (d) technology fees. Since the Company considers the licensing of the franchising right to be a single performance obligation, no allocation of the transaction price is required.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**REVENUE RECOGNITION (CONTINUED)**

The Company recognizes the primary components of the transaction price as follows:

**INITIAL FRANCHISE FEES**

The Company generally requires the entire nonrefundable initial franchise fee to be paid upon execution of a franchise agreement, which typically has an initial term life of ten years. Initial franchise fees are recognized based on a 60% recognition factor during the first year and the remaining 40% ratably on a straight-line basis over the remaining term of the franchise agreement. The Company's services under the franchise agreement include training of franchisees and staff and ongoing operations support. The Company provides no significant financing component to franchisees and offers no guarantees on their behalf. Initial franchise fees are presented within franchise fees in the accompanying statement of operations.

**ROYALTIES AND MARKETING FEES**

Royalties and marketing fees are calculated as a percentage of franchisee sales (generally, 5% and 1.5%, respectively) over the term of the franchise agreement and recorded on a monthly basis. Royalties and marketing fees represent sales-based fees that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchisee-level sales occur. Royalties and marketing fees are collected monthly, approximately 15 days after each sales period has ended, and are presented within royalties and marketing fees in the accompanying statement of operations, respectively.

**TECHNOLOGY FEES**

Technology fees for use of software and information technology support, as outlined in the franchise agreement, are charged on a monthly basis to the franchisee and presented within technology fees in the accompanying statements of operations.

**ADVERTISING COSTS**

The Company expenses the cost of advertising as incurred. Advertising costs included in franchise advertising amounted to \$8,913 for the year ended December 31, 2024.



**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CONTRACT ASSETS AND LIABILITIES**

Contracts recognized at a point in time have no satisfied performance obligations that would result in contract assets, other than accounts receivable.

Deferred revenue represents initial franchise fees for which substantially all services to be provided by the Company have not yet been performed. These contract liabilities are the amounts for which performance obligations are deemed to be satisfied within or greater than one year of the balance sheet date are classified as current or long-term, respectively.

The following summarizes contract assets and liabilities as of December 31,

	2024	
	End of year	Beginning of year – Restated
Accounts receivable, net	<u>\$ 73,170</u>	<u>\$ 32,324</u>
Deferred revenue – current	\$ 173,758	\$ 12,678
Deferred revenue – long term	184,628	84,086
Total contract liabilities	<u>\$ 358,386</u>	<u>\$ 96,764</u>

**INCOME TAXES**

The Company is currently taxed as a Partnership. In lieu of federal and state income taxes, members are taxed on their proportionate share of the Company's net income. Accordingly, no provision of liability for income taxes has been made in the accompanying financial statements. Generally, the Company's tax filings remain open for three years for Federal income tax examination.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 – INTANGIBLES AND GOODWILL**

On April 9, 2024, the Company underwent a significant ownership change, the Company was acquired for \$3,348,720, under (ASC) 805, *Business Combinations*, requiring the recognition of acquired assets and assumed liabilities to be recorded at fair value in accordance with ASC 820. The purchase price was treated as the fair value of the company, as the consideration transferred reflected an arm's length transaction, and is classified as level 3 in the fair value hierarchy. Changes in these estimates or macroeconomic conditions may impact the fair value of goodwill and intangibles, potentially leading to future impairment charges. The Company performs an annual impairment test and monitors triggering events that could indicate impairment.

The Company's acquired intangibles and goodwill as of December 31, 2024, are as follows:

	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Intangibles				
Franchise Agreements	10	\$ 1,941,657	\$ 145,624	\$ 1,796,033
Goodwill	10	1,407,063	105,530	1,301,533
Totals		<u>\$ 3,348,720</u>	<u>\$ 251,154</u>	<u>\$ 3,097,566</u>

Total amortization expense was \$251,154 for the year ended December 31, 2024 and is reflected in amortization expense in the accompanying statements of operations.

The aggregate amortization for the next five years ending December 31 and thereafter is as follows:

2025	\$ 334,872
2026	334,872
2027	334,872
2028	334,872
2029	334,872
Thereafter	1,423,206
Total	<u>\$ 3,097,566</u>

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company has the following transactions with the following related parties:

- Options for Senior America Corp (OFSA Corp),
  - Reimbursements – receives for expenses paid on behalf of the Company.
  - Rent – Corp received lease payments from Options for Senior America Franchising, LLC on a month-to-month lease for office space.
- Radhik Patel, 50% co-owner of the Company, received reimbursements for expense paid on behalf of the Company.
- Alec Campbell, 50% co-owner of the Company, received reimbursements for travel on behalf of the Company.
- Ramzi Rihani, 50% co-owner of the Company prior to acquisition, received reimbursements for expense paid on behalf of the Company and received payments for consulting fees after acquisition.
- Sarmad Rihani, 50% co-owner of the Company prior to acquisition, received reimbursements for expense paid on behalf of the Company and received payments for consulting fees after acquisition.

A summary of assets, liabilities, and expenses resulting from business conducted with related parties as of and for the year ended December 31, are as follows:

	<b><u>2024</u></b>
Rent – OFSA Corp	\$ 17,365
Reimbursements – OFSA Corp	62,740
Reimbursements – Radhik Patel	2,388
Reimbursements – Alec Campbell	73
Reimbursements – Ramzi Rihani	351
Consulting fees – Ramzi Rihani	7,757
Reimbursements – Sarmad Rihani	3,220
Consulting fees– Sarmad Rihani	267

**NOTE 4 – LITIGATION AND CONTINGENCIES**

The Company is, from time to time, involved in various lawsuits in the normal course of business. The Company records a liability and an expense in its financial statements for such matters when it is probable that a loss has been incurred and amount can be reasonably estimated in accordance with the recognition criteria of ASC 450, *Contingencies*. Estimating liabilities and expenses associated with these matters requires the application of significant judgment and assessments based upon the professional knowledge and experience of management and its legal counsel.

**OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC**  
**GAITHERSBURG, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5 – FRANCHISED OUTLETS**

Following is a summary of changes in the number of franchise outlets for the year ended December 31:

	<b><u>2024</u></b>
Franchises in Operation, beginning of year	12
Opened during the year	1
Closed during the year	0
Franchises in Operation, end of year	<b><u>13</u></b>

**NOTE 6 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

The Company maintains its cash in bank deposit accounts and financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The bank accounts, at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts. At December 31, 2024 the Company did not have any uninsured cash balance.

**NOTE 7 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Company's operations are concentrated in the nonmedical in-home personal assistance franchising industry. As the Company's royalty and marketing revenue is based on franchisee sales, any significant economic events affecting the franchisees would directly impact the operations of the Company.

**NOTE 8 – CORRECTIONS OF ERROR – PRIOR PERIOD ADJUSTMENT**

During the year ended December 31, 2024, it was discovered that there were misstatements in the beginning balances of cash, accounts receivable, and deferred revenue. Correcting adjustments resulted in a decrease to cash of \$38,000, an increase to accounts receivable of \$32,324, and a decrease to deferred revenue of \$95,866 as of December 31, 2023. The result of these entries resulted in a net increase to member's equity of \$90,190.

**NOTE 9 - EVENTS OCCURING AFTER REPORTING DATE**

The Company has evaluated events and transactions that occurred between December 31, 2024 and February 8, 2025, which is the date the financial statements were available to be issued, for possible recognition for disclosure in the financial statements.

**OPTIONS FOR SENIOR AMERICAN FRANCHISING COMPANY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**WITH AUDIT REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANT**

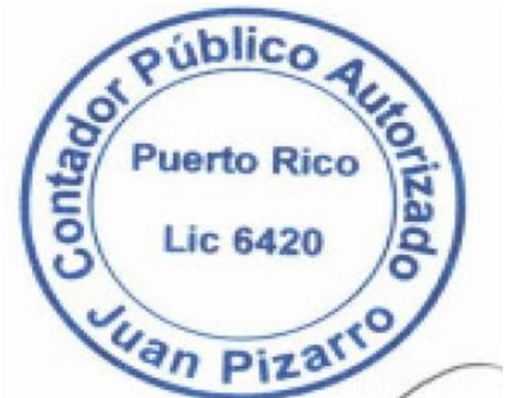


**KAIROS CPA INC.**  
**8400 NW 36th Street, Suite 450**  
**Doral, FL 33166**

### **CONSENT OF ACCOUNTANT**

**Kairos CPA Inc.** consents to the use in the Franchise Disclosure Document issued by **Options For Senior America Franchising Company** on **January 29, 2024**, as it may be amended, of our report dated **February 9, 2024**, relating to the financial statements of Franchisor for the period ending **December 31, 2023**.

02/09/2024





## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors and Shareholders**

Options for Senior America Franchising Company  
6 Montgomery Village Avenue, Suite 330  
Gaithersburg, MD 20879

We have audited the accompanying balance sheet of Options for Senior America Franchising Company (the "Company") as of December 31, 2023, and 2022, and the related statements of income, retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion. In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Options for Senior America Franchising Company as of December 31, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The image shows the word "Kairos" in a stylized, cursive font. To its right is a handwritten signature in dark ink, which appears to read "Juan A. Pizarro Llanos". The signature is written over a horizontal line.

February 9, 2024  
Kairos CPA Inc.  
Doral, Florida

Juan A. Pizarro Llanos, MAcc, CPA, CFE, CRMA | CEO T: 954-997-2545 | O: 1722 Sheridan St. #365 Hollywood, FL 33020 |  
E: [jpizars@cpa.com](mailto:jpizars@cpa.com)



**Options for Senior America Franchising Company**  
**Balance Sheet**  
**for the 12 months ended December 31, 2023, and December 31, 2022**

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current Assets		
Cash and cash equivalents	273,654	277,091
<b>Total Assets</b>	<b>273,654</b>	<b>277,091</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current Liabilities		
Payroll Tax Payable	937	1,245
Deferred Revenue	192,630	217,340
<b>Total Liabilities</b>	<b>193,567</b>	<b>218,585</b>
Stockholder's Equity		
Stockholder's Distribution	-1,314,591	-1,314,593
Retained Earnings	1,159,807	1,106,986
Current Year Income	234,871	266,121
<b>Total Stockholder's Equity</b>	<b>80,087</b>	<b>58,507</b>
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>273,654</b>	<b>277,091</b>

The accompanying audit report and notes are an integral part of these financial statements

**OPTIONS FOR SENIOR AMERICA FRANCHISING COMPANY**  
**INCOME STATEMENT**  
**FOR THE 12 MONTHS ENDING DECEMBER 31, 2023 AND DECEMBER 31, 2022**

		<u><b>Year ended</b></u> <u><b>December 31,</b></u> <u><b>2023</b></u>	<u><b>Year ended</b></u> <u><b>December 31,</b></u> <u><b>2022</b></u>
<b>Income</b>			
<b>Services Franchise &amp; Royalties</b>			
Income from Operations	\$	422,717	461,037
		<u>422,717</u>	<u>461,037</u>
<b>Administrative Expenses</b>			
Administrative Expenses		123,002	130,072
Personnel		64,844	64,844
		<u>187,846</u>	<u>194,916</u>
<b>Subtotal</b>		<u>234,871</u>	<u>266,121</u>
<b>Net Income</b>	\$	<u><u>234,871</u></u>	<u><u>266,121</u></u>

**NOTE:** See 2023 Income and Expenses breakdown on Notes to the Financials

The accompanying audit report and notes are an integral part of these financial statements

**Options for Senior America Franchising Company**  
**Statement of Cash Flows**  
**for the 12 months ended December 31, 2023, and December 31, 2022**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	234,872	266,121
	<hr/>	<hr/>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Increase in other accrued income	-4,510	5,020
Increase in other accruals	-308	950
<b>Net Cash provided by operations</b>	<b>230,054</b>	<b>272,092</b>
	<hr/>	<hr/>
<b>Cash flows from investing activities:</b>		
Additional Paid in Capital	0	0
<b>Net Cash used by investing activity</b>	<b>0</b>	<b>0</b>
	<hr/>	<hr/>
<b>Cash flows from financing activity:</b>		
Dividends Paid	(200,000)	(200,000)
<b>Net Cash provided by financing</b>	<b>(200,000)</b>	<b>(200,000)</b>
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	<b>30,054</b>	<b>(127,908)</b>
Cash and equivalents at beginning of period	<u>205,599</u>	<u>333,500</u>
Cash and equivalents at end of period	<u><b>235,654</b></u>	<u><b>277,091</b></u>

The accompanying audit report and notes are an integral part of these financial statements

## **Note 1 Summary of Significant Accounting Policies**

### Organization and Purpose

Options for Senior America Franchising Company was incorporated in Montgomery Country, Maryland on July 13, 2005. The purpose of the Company is to award franchises to companies seeking to provide home health care services.

### Officers and Board of Directors

President	Ramzi Rihani
Secretary	Sarmad Rihani

### Accounting Methods

The Company utilizes the accrual basis in determining revenues and expenses. Under this method revenue and expenses are recognized when incurred.

The financial statements were prepared on the accrual basis of accounting, an accounting basis in accordance with generally accepted accounting principles.

### Income Taxes

The Company has elected under the Internal Revenue Code to be an S Company. In lieu of Company income taxes, the shareholders of an S Company are taxed on their proportional share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

### Franchise Fee

The franchise fees are recognized using ASC 606 fee recognition schedule whereby, the franchise fees are based on 60% recognition factor during the first year and the balance of 40% is spread over the remaining 10 years.

Options Franchising Co.  
**Profit & Loss**  
January through December 2023  
Jan - Dec 23

Ordinary Income/Expense	
Income	
Fees Paid by Franchisees	
Franchise Fee	28,180
Marketing Fee	42,388
Royalty Fee	284,743
Technology Fee	67,406
Total Fees Paid by Franchisees	<u>422,717</u>
Total Income	<u>422,717</u>
Gross Profit	<u>422,717</u>
Expense	
Advertising	
Lead generation	4,235
Advertising - Other	0
Total Advertising	<u>4,235</u>
Bank Service Charges	327
Conference	16,778
Dues and Subscriptions	7,885
Exhibit	
Material	27
Shipping	1,151
Total Exhibit	<u>1,178</u>
Fee	
FDD Registration	703
Trademark	250
Fee - Other	50
Total Fee	<u>1,003</u>
Marketing	
Graphic Design	90
PIR	1,091
Printing	1,095
Promotional Items	-1,014
Total Marketing	<u>1,262</u>
Meetings	1,632
New Franchise Incentive	6,000
Office Rent	42,200
Office Supplies	165
Payroll Expenses	64,844
Postage and Delivery	71
Professional Fees	
Accounting	342
Consulting	24,300
Legal Fees	2,330

Options Franchising Co.  
**Profit & Loss**  
January through December 2023  
Jan - Dec 23

Software Development & Support	8,880
Total Professional Fees	<u>35,852</u>
Shipping	181
Taxes	
Pass-Through Entity	22,004
Property	300
Total Taxes	<u>22,304</u>
Travel	
Air	1,004
Commute	505
Lodging	2,470
Meals	191
Total Travel	<u>4,170</u>
Total Expense	<u>210,087</u>
Net Ordinary Income	<u>212,630</u>
Other Income/Expense	
Other Income	
Franchise Transfer Fee	7,500
Other Income - Other	14,978
Total Other Income	<u>22,478</u>
Total Other Income	<u>22,478</u>
Other Expense	
Other Expenses	237
Total Other Expense	<u>237</u>
Net Other Income	<u>22,241</u>
Net Income	<u>234,871</u>

**OPTIONS FOR SENIOR AMERICAN FRANCHISING COMPANY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**WITH AUDIT REPORT OF  
INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANT**



**JPizars - CPA & Business Consultants, LLC**  
**8400 NW 36th Street, Suite 450**  
**Miami, FL 33166**

### **CONSENT OF ACCOUNTANT**

**JPizars - CPA & Business Consultants, LLC** consents to the use in the Franchise Disclosure Document issued by **Options For Senior America Franchising Company** on **January 23, 2023**, as it may be amended, of our report dated **January 26, 2023**, relating to the financial statements of Franchisor for the period ending **December 31, 2022**.

01/26/2023

A handwritten signature in dark ink, reading "Juan A. Pizarro Llanos", is written over a horizontal line.





## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors and Shareholders**

Options for Senior America Franchising Company  
555 Quince Orchard Road, Suite 240  
Gaithersburg, MD 20878

We have audited the accompanying balance sheet of Options for Senior America Franchising Company (the "Company") as of December 31, 2022, and the related statements of income, retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion. In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of Options for Senior America Franchising Company as of December 31, 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The image shows the logo for JPizars, which is written in a large, stylized, cursive font. To the right of the logo is a handwritten signature in black ink that reads "Juan A. Pizarro Llanos". The signature is written over a horizontal line.

January 26, 2023  
JPizars – CPA & Business Consultants, LLC  
Hollywood, Florida

Juan A. Pizarro Llanos, MAcc, CPA, CFE, CRMA | CEO T: 954-997-2545 | O: 1722 Sheridan St. #365 Hollywood, FL 33020 | E: [jpizars@cpa.com](mailto:jpizars@cpa.com)

**Options Franchising Co.**  
**Balance Sheet**  
As of December 31, 2022

	<u><b>Dec 31, 22</b></u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
PNC - Franchising Co.	205,591.28
<b>Total Checking/Savings</b>	<u>205,591.28</u>
<b>Accounts Receivable</b>	
Accounts Receivable	71,500.00
<b>Total Accounts Receivable</b>	<u>71,500.00</u>
<b>Total Current Assets</b>	<u>277,091.28</u>
<b>TOTAL ASSETS</b>	<u><b>277,091.28</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Deferred Revenue	217,340.00
Payroll Liabilities	1,244.76
<b>Total Other Current Liabilities</b>	<u>218,584.76</u>
<b>Total Current Liabilities</b>	<u>218,584.76</u>
<b>Total Liabilities</b>	<u>218,584.76</u>
<b>Equity</b>	
Opening Bal Equity	-8.21
Owner's account	-1,114,592.50
Retained Earnings	1,106,985.87
Net Income	66,121.36
<b>Total Equity</b>	<u>58,506.52</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>277,091.28</b></u>

**Options Franchising Co.**  
**Profit & Loss**  
January through December 2022

	<u>Jan - Dec 22</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Fees Paid by Franchisees</b>	
Franchise Fee	113,480.00
Marketing Fee	39,883.24
Royalty Fee	240,927.67
Technology Fee	66,745.83
<b>Total Fees Paid by Franchisees</b>	<u>461,036.74</u>
<b>Total Income</b>	<u>461,036.74</u>
<b>Gross Profit</b>	<u>461,036.74</u>
<b>Expense</b>	
Bank Service Charges	235.03
Broker's Fee	32,000.00
Conference	20,335.00
Dues and Subscriptions	7,534.15
<b>Exhibit</b>	
Booth	19.11
Material	24.78
Shipping	700.22
<b>Total Exhibit</b>	<u>744.11</u>
<b>Fee</b>	
FDD Registration	350.00
Franchise Filing	102.50
Trademark	225.00
<b>Total Fee</b>	<u>677.50</u>
<b>Insurance</b>	
Bond	970.00
<b>Total Insurance</b>	<u>970.00</u>
Licenses and Permits	100.00
<b>Marketing</b>	
Graphic Design	168.62
PR	1,814.15
Printing	377.00
Promotional Items	-248.53
<b>Total Marketing</b>	<u>2,111.24</u>
Meetings	905.51
New Franchise Incentive	3,000.00
Office Rent	59,256.73
Office Supplies	65.21
Payroll Expenses	64,844.00
Postage and Delivery	41.19
<b>Professional Fees</b>	
Accounting	672.75

**Options Franchising Co.**  
**Profit & Loss**  
January through December 2022

	<b>Jan - Dec 22</b>
Assessment	130.00
Legal Fees	1,750.00
Software Development & Support	9,010.00
Total Professional Fees	11,562.75
Shipping	48.18
Taxes	
Property	300.00
Total Taxes	300.00
Travel	
Air	3,938.32
Commute	636.68
Lodging	3,101.63
Meals	93.29
Total Travel	7,769.92
Total Expense	212,500.52
Net Ordinary Income	248,536.22
Other Income/Expense	
Other Income	
Other Income	
Franchise Agreement Renewal Fee	5,000.00
Franchise Transfer Fee	7,500.00
Other Income - Other	5,085.14
Total Other Income	17,585.14
Total Other Income	17,585.14
Net Other Income	17,585.14
Net Income	<b>266,121.36</b>

**Options Franchising Co.**  
**Statement of Cash Flows**  
January through December 2022

	<b><u>Jan - Dec 22</u></b>
<b>OPERATING ACTIVITIES</b>	
Net Income	66,121.36
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-71,500.00
Deferred Revenue	76,520.00
Payroll Liabilities	950.30
Net cash provided by Operating Activities	<u>72,091.66</u>
<b>FINANCING ACTIVITIES</b>	
Owner's account	-200,000.00
Net cash provided by Financing Activities	<u>-200,000.00</u>
Net cash increase for period	<u>-127,908.34</u>
Cash at beginning of period	<u>333,499.62</u>
Cash at end of period	<u><u><b>205,591.28</b></u></u>

## **Note 1 Summary of Significant Accounting Policies**

### Organization and Purpose

Options for Senior America Franchising Company was incorporated in Montgomery Country, Maryland on July 13, 2005. The purpose of the Company is to award franchises to companies seeking to provide home health care services.

### Officers and Board of Directors

President	Ramzi Rihani
Secretary	Sarmad Rihani

### Accounting Methods

The Company utilizes the accrual basis in determining revenues and expenses. Under this method revenue and expenses are recognized when incurred.

The financial statements were prepared on the accrual basis of accounting, an accounting basis in accordance with generally accepted accounting principles.

### Income Taxes

The Company has elected under the Internal Revenue Code to be an S Company. In lieu of Company income taxes, the shareholders of an S Company are taxed on their proportional share of the company's taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

### Franchise Fee

The franchise fees are recognized using ASC 606 fee recognition schedule whereby, the franchise fees are based on 60% recognition factor during the first year and the balance of 40% is spread over the remaining 10 years

## **EXHIBIT G**

### **STATE LAW ADDENDUM**

The following states have statutes and/or court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise:

ARKANSAS [Stat. Section 70-807]  
CALIFORNIA [Bus. & Prof. Code Sections 20000-20043]  
CONNECTICUT [Gen. Stat. Section 42-133e et seq.]  
DELAWARE [Code, Tit. 6, Chap. 25, Section 2552]  
HAWAII [Rev. Stat. Section 482E-1]  
ILLINOIS [815 ILCS 705/19 and 705/20]  
INDIANA [Stat. Section 23-2-2.7]  
IOWA [Code Tit. XX, Chap. 523H]  
KENTUCKY [Rev. Stat. Tit. XL, Chap. 436]  
LOUISIANA [Rev. Stat. Tit. 23, Section 921(E)]  
MICHIGAN [Stat. Section 19.854(27)]  
MINNESOTA [Stat. Section 80C.14]  
MISSISSIPPI [Code Section 75-24-51]  
MISSOURI [Stat. Section 407.400]  
NEBRASKA [Rev. Stat. Section 87-401]  
NEW JERSEY [Stat. Section 56:10-1]  
SOUTH DAKOTA [Codified Laws Section 37-5A-51]  
VIRGINIA [Code 13.1-557-574-13.1-564]  
WASHINGTON [Code Section 19.100.180]  
WISCONSIN [Stat. Section 135.03]  
DISTRICT OF COLUMBIA [Code, Tit. 29, Chap. 12]  
PUERTO RICO [Laws Tit. 10, Chap. 14]  
VIRGIN ISLANDS [Code, Tit. 12A, Chap. 2, Subchapter III]

## **STATE LAW ADDENDUM**

Some states have statutes and/or court decisions that limit our ability to restrict your activity after the Franchise Agreement has ended.

A provision in the Franchise Agreement that terminates the franchise upon your bankruptcy may not be enforceable under Title 11, United States Code.

The following addendums modify the terms, conditions, and disclosures set forth in this Disclosure Document. To the extent that any provision of the Disclosure Document or Franchise Agreement conflicts with these addendums, the terms of these addendums shall control.



## MARYLAND

### Maryland Disclosure Addendum

1. **Item 17**, This 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 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**, The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. 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 in connection with the franchise.

### Maryland Franchise Agreement and Second Territory Addendum

1. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of 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.
2. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. This 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 Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

### Maryland Franchise Agreement and Acknowledgements and Questionnaires Addendum

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 in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

Options For Senior America Franchising, LLC

FRANCHISEE:

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

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

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

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

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

## MICHIGAN

### NOTICE REQUIRED BY THE STATE OF MICHIGAN

**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.**

The Michigan Franchise Law states in Sec. 445.1527, Sec.27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (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, 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 sub-franchisor.

- (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.

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  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Antitrust & Franchise  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa  
Lansing, Michigan 48909

## VIRGINIA

### Virginia Disclosure Addendum

1. **Item 6** of this Disclosure Document discloses the fees you are obligated to pay to OPTIONS related to the operation of your franchise. This Item is modified by this addendum to clarify that the royalty fee you are obligated to pay shall be paid through a direct electronic funds transfer (EFT) which you will pre-authorize with your bank upon execution of the Franchise Agreement.
2. **Item 8** of this Disclosure Document discloses certain restrictions imposed on you regarding the sources of products and services you may use in your business. This Item is modified by this addendum to clarify that OPTIONS does not derive any income of any nature from the sale of approved products or supplies to you in that neither OPTIONS nor persons affiliated with OPTIONS are currently approved suppliers.
3. 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 in connection with the franchise.
4. If you fail to meet the Minimum Sales Requirement, we may terminate your Franchise Agreement.

### Virginia Franchise Agreement and Acknowledgements and Questionnaire Addendum

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 in connection with the franchise.
2. Exhibit F, Disclosure Acknowledgement Declaration, must not be signed by a resident of the Commonwealth of Virginia or for a franchise to be operated in the Commonwealth of Virginia.

## **EXHIBIT H**

### **APPLICATION FOR FRANCHISE**

The “Application for Franchise” document follows this page.



### Application for Franchise

The information you provide will be held in the strictest confidence, and completion of this form in no way constitutes a commitment to **OPTIONS** or that a franchise will be automatically awarded. We encourage you to share any relevant information and include anything that you find will make your candidacy stand out as a potential franchisee. If you are planning to have a business partner or investor, he/she should complete a separate application form and hand it in along with yours. Thank you again for your interest in **OPTIONS**.

Options Franchising, LLC (Options)  
 6 Montgomery Village Avenue, Suite 330  
 Gaithersburg, MD 20879  
 Telephone: 301-562-1100 or 800-2-Options  
 E-mail: [Franchise@OptionsCorp.com](mailto:Franchise@OptionsCorp.com)

<b>About Yourself</b>		
First Name:	Middle Name:	Last Name:
Home Address:		City:
State:	Zip:	How long at current address?
Previous Address (If at current address less than 3 years):		
Home Phone:	Best time to reach you:	
Mobile Phone:	Best time to reach you:	
Email address 1:	Email address 2:	
Marital Status:	If married, spouse's name and occupation:	
Date of Birth:	Number of children:	Children's ages:
Highest degree completed:	Major:	Educational institution:
1 <sup>st</sup> Preferred territory:	2 <sup>nd</sup> Preferred territory:	3 <sup>rd</sup> Preferred territory:
Will there be any other active partners in this business? Yes <input type="checkbox"/> No <input type="checkbox"/>		
If yes, Name of Partner:		Relationship to you:

Employment History		
<b>Current Employer:</b>		Position:
May we contact your current employer? Yes <input type="checkbox"/> No <input type="checkbox"/>		
Employed from:	To:	Salary:
Duties/Responsibilities:		
Telephone:	Supervisor's name:	
Previous Employer 1:		Position:
May we contact this employer? Yes <input type="checkbox"/> No <input type="checkbox"/>		
Employed from:	To:	Salary:
Duties/Responsibilities:		
Reason for leaving:	Telephone:	Supervisor's name:
Previous Employer 2:		Position:
May we contact this employer? Yes <input type="checkbox"/> No <input type="checkbox"/>		
Employed from:	To:	Salary:
Duties/Responsibilities:		
Reason for leaving:	Telephone:	Supervisor's name:

Other Information	
Have you ever owned your own business? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If yes, what type of business?	Between what dates?
Have you or any company you have owned declared bankruptcy? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Have you ever been involved in any civil litigation or criminal offense? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If yes for either of the above 2 questions, please provide details:	



List any hobbies, community activities, and professional affiliations:
List your other interests and commitments:
Why are you interested in an Options franchise?
What are your expectations by owning an <b>OPTIONS</b> franchise?
Why do you think you will succeed as an <b>OPTIONS</b> franchisee?
What annual income, after expenses, do you hope to generate from your business?
How much time will you spend at your franchise? Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> (specify hours per week:_____)
If you have partners in the business, will they be active in the day-to-day operations? Yes <input type="checkbox"/> No <input type="checkbox"/>
Will friends, family or associates be helping you? Yes <input type="checkbox"/> No <input type="checkbox"/> If so, who are they?
How will they help?
List your strength(s) from a business perspective:
List business practices that you believe you can improve in:
Please provide an example where you have hired, trained and/or motivated staff or why you believe you will be a strong manager of people:
Given that the success or failure of your business is primarily your responsibility, what would you do to promote your business?

Financials (All information provided is strictly confidential and will be treated as such)			
Assets (enter <b>total</b> for each line)		Liabilities (enter <b>total</b> for each line)	
Cash		Bank loans	
Stocks & Bonds		Notes payable	
IRAs		Charge accounts	
401Ks		Credit card balances	
Life ins. cash surrender v.		Taxes payables	
Home (market value)		Owing on life insurance	
Other real estate ( )		Home mortgage	
Automobiles		Other real estate ( )	
Equity in own business		Due on automobiles	
Other ( )		Other ( )	
Total Assets		Total Liabilities	
Credit card(s) or margin of credit held and limit(s):			
Credit 1:		Limit:	
Credit 2:		Limit:	
Credit 3:		Limit:	
Credit 4:		Limit:	
Current net <b>monthly</b> income		Current net <b>monthly</b> expenses	
Salary		Rent/mortgage	
Spouse's salary		All Utilities	
Other ( )		Car expenses	
Other ( )		Other ( )	
Other ( )		Other ( )	
Total monthly income		Total monthly expenses	
Your SSN: _____ Are you a U.S. citizen? Yes <input type="checkbox"/> No <input type="checkbox"/> If no, what legal document do you carry? _____			
Which specific assets do you intend to use to meet the cash requirements?			
1. _____ 2. _____ 3. _____			
Your comfortable cash/down payment, and investment level:			
Income expectations after Year 1: Year 2: Year 3:			
Decision timeframe		Timeframe to open your new business	
Other Comments:			

<b>Core Values</b>
Hours you can devote per week:
My people skills and interaction <input type="checkbox"/> Needs improvement <input type="checkbox"/> Is adequate <input type="checkbox"/> Is extremely effective
How do you know if Options is the right business for you?
What did you like most about your past jobs or businesses
What should Options expect from you?

<b>References</b>
<b><i>Financial References</i></b> (your personal banker, relationship manager, and/or financial planner)
Name 1: _____ Company: _____
Telephone: _____ Position: _____
Name 2: _____ Company: _____
Telephone: _____ Position: _____
<b><i>Other References</i></b> (your work colleagues and supervisors, excluding family and friends)
Name 1: _____ Company: _____
Telephone: _____ Position: _____
Name 2: _____ Company: _____
Telephone: _____ Position: _____
Comments: _____

I hereby certify that all information provided in this application is true and correct as of the date below. I authorize **OPTIONS** or its affiliates or agents to conduct any necessary credit checks and hereby waive my right conferred upon me by the stature or otherwise regarding any disclosures obtained by **OPTIONS** or its affiliates or agents. I understand that any false information or consequential omission contained in this application would be cause for immediate terminations of any subsequent agreement reached between myself and **OPTIONS**.

The submission of this application does not obligate me or **OPTIONS** in any way or manner.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

**EXHIBIT I**

**OPTIONS FOR SENIOR AMERICA ACKNOWLEDGEMENT STATEMENT**

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) 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.**

1. Franchisee (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

\_\_\_\_\_  
Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

\_\_\_\_\_  
Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

\_\_\_\_\_  
Initial

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement (or Multi-Unit Development Agreement) that are contrary to the terms of the Franchise Agreement (or Multi-Unit Development Agreement) or the documents incorporated herein. Franchisee (or Developer) acknowledges that no representations or warranties are made or implied, except as specifically

set forth in the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

5. Franchisor expressly disclaims the making of, and Franchisee (or Developer) acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

6. Franchisee (or Developer) acknowledges that Franchisor's approval or acceptance of Franchisee's (or Developer's) Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

\_\_\_\_\_  
Initial

7. Franchisee (or Developer) acknowledges that it has received the Options For Senior America Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement (and Multi-Unit Development Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi-Unit Development Agreement) was executed. Franchisee (or Developer) further acknowledges that Franchisee (or Developer) has read such Franchise Disclosure Document and understands its contents.

\_\_\_\_\_  
Initial

8. Franchisee (or Developer) acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee (or Developer) with respect to the Franchise Agreement (or Multi-Unit Development Agreement) or the relationship thereby created.

\_\_\_\_\_  
Initial

9. Franchisee (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement (or Multi-Unit Development Agreement).

\_\_\_\_\_  
Initial

10. Franchisee (or Developer) is aware of the fact that other present or future franchisees (or developers) of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

\_\_\_\_\_  
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's (or Developer's) Territory by others who may have purchased such products from Franchisor.

\_\_\_\_\_  
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE OPTIONS FOR SENIOR AMERICA FRANCHISING, LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

\_\_\_\_\_  
Initial

FRANCHISEE:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

PRINCIPAL:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

PRINCIPAL:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

## 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	Pending
Florida	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Texas	Pending
Virginia	Pending
Washington	Pending
Wisconsin	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 J

### RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement, and other information in plain language. Read this Disclosure Document and all agreements carefully.

If OPTIONS offers you a franchise it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**Maryland, New York, and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan, Oregon, and Washington require that we 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 OPTIONS 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, DC, 20580 and the state agency listed on Exhibit C.

The franchisor is Options For Senior America Franchising, LLC, located at 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879. Its telephone number is 301.562.1100.

Issuance date: February 10, 2025

The franchise sellers for this offering are Radhik Patel and Alec Campbell, Co-CEO and Co-CEO respectively, Options For Senior America Franchising, LLC, 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, 301.562.1100.

OPTIONS authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a disclosure document dated \_\_\_\_\_ that included the following Exhibits:

EXHIBIT A: Franchise Agreement  
EXHIBIT B: Area Development Agreement  
EXHIBIT C: Agencies & Agents For Service Of Process  
EXHIBIT D: Operations Manual Table of Contents  
EXHIBIT E: Franchised Outlets  
EXHIBIT F: Financial Statements  
EXHIBIT G: State Law Addendum  
EXHIBIT H: Application for Franchisee  
EXHIBIT I: Franchisee Acknowledgement Statement  
State Effective Dates  
EXHIBIT J: Receipts

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print name

You may return the signed receipt either by signing, dating, and mailing it to Options For Senior America Franchising, LLC, 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, or by faxing or emailing a copy of the signed and dated receipt to OPTIONS at 301.562.1161, or Franchise@OptionsCorp.com.



## RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement, and other information in plain language. Read this Disclosure Document and all agreements carefully.

If OPTIONS offers you a franchise it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**Maryland, New York, and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.**

**Michigan, Oregon, and Washington require that we 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 OPTIONS 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, DC, 20580 and the state agency listed on Exhibit C.

The franchisor is Options For Senior America Franchising, LLC, located at 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879. Its telephone number is 301.562.1100.

Issuance date: February 10, 2025

The franchise sellers for this offering are Radhik Patel and Alec Campbell, Co-CEO and Co-CEO respectively, Options For Senior America Franchising, LLC, 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, 301.562.1100.

OPTIONS authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a disclosure document dated \_\_\_\_\_ that included the following Exhibits:

EXHIBIT A: Franchise Agreement  
EXHIBIT B: Area Development Agreement  
EXHIBIT C: Agencies & Agents For Service Of Process  
EXHIBIT D: Operations Manual Table of Contents  
EXHIBIT E: Franchised Outlets  
EXHIBIT F: Financial Statements  
EXHIBIT G: State Law Addendum  
EXHIBIT H: Application for Franchisee  
EXHIBIT I: Franchisee Acknowledgement Statement  
State Effective Dates  
EXHIBIT J: Receipts

Date: \_\_\_\_\_  
(Do not leave blank)

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print name

You may return the signed receipt either by signing, dating, and mailing it to Options For Senior America Franchising, LLC, 6 Montgomery Village Avenue, Suite 330, Gaithersburg, MD 20879, or by faxing or emailing a copy of the signed and dated receipt to OPTIONS at 301.562.1161, or Franchise@OptionsCorp.com.