

FRANCHISE DISCLOSURE DOCUMENT



CareDiem Franchising, LLC
an Illinois limited liability
company
1540 E. Dundee Road, Suite 110
Palatine, IL 60074
Telephone: 1.800.301.6354
info@carediemfranchising.com
www.carediemfranchising.com

The franchise offered is for an in-home non-medical care business primarily for seniors under the CareDiem® brand, focusing on non-medical companion care services.

The total investment necessary to begin operation of a CareDiem Home Care franchise is between \$80,000 and \$169,800. This includes \$48,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Operations Manager at 1540 E. Dundee Road, Suite 110; Palatine, IL 60074 and 800.301.6354.

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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 23, 2025.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much will I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibits G and H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit I include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only CareDiem business in my market?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings
What's it like to be a CareDiem franchisee?	Item 20 and Exhibits G and H list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Consider these facts about franchising before investing in any franchise:

1. **Continuing Responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.
2. **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 franchised business or may harm your franchised business
3. **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.
4. **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.
5. **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.
6. **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.
7. **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 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 A.

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 Illinois. 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 Illinois than in your own state.
2. **Short Operating History.** This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.

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.

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives the 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 license of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 6TH FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.

Table of Contents

Item		Page
1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
2	BUSINESS EXPERIENCE	5
3	LITIGATION	5
4	BANKRUPTCY	6
5	INITIAL FEES.....	6
6	OTHER FEES	7
7	ESTIMATED INITIAL INVESTMENT	18
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	23
9	FRANCHISEE'S OBLIGATIONS	25
10	FINANCING.....	27
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	27
12	TERRITORY.....	37
13	TRADEMARKS	40
14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	41
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	42
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	43
17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	43
18	PUBLIC FIGURES.....	49
19	FINANCIAL PERFORMANCE REPRESENTATIONS	50
20	FINANCIAL STATEMENTS.....	54
22	CONTRACTS	55
23	RECEIPTS	55

EXHIBITS

- A. List of State Administrators
- B. Agents for Service of Process
- C. State Addenda to FDD
- D. Franchise Agreement, including Owner's Guaranty
- E. State Specific Amendments to Franchise Agreement
- F. Table of Contents of Operations Manual
- G. List of Franchisees
- H. Franchisees Who Left System or Have Not Communicated
- I. Financial Statements
- J. Confidentiality Agreement
- K. General Release
- L. Receipt Pages

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE DISCLOSURE DOCUMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT C** OR THE STATE SPECIFIC FRANCHISE AGREEMENT AMENDMENTS IN **EXHIBIT E**, EXCEPT THAT ADDITIONAL DISCLOSURES RELATED TO MICHIGAN LAW CAN BE FOUND RIGHT BEFORE THIS TABLE OF CONTENTS.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is CareDiem Franchising, LLC, and will be referred to in this document as “**CareDiem**”, “**CareDiem Home Care**”, “**we**”, “**us**” or “**our**”. A person who buys a franchise from us will be referred to as “**you**.” If you are a corporation, partnership or other entity, “you” also includes your owners, and any other person or entity directly or indirectly owning an interest in you.

We are CareDiem Franchising, LLC, an Illinois limited liability company, organized on January 2, 2024. Our principal place of business address is 1540 E. Dundee Road, Suite 110; Palatine, IL 60074. We conduct business under the name CareDiem Franchising and CareDiem Home Care. Our agents for the service of process are disclosed in **Exhibit B**.

Parents, Predecessors and Affiliates

We do not have a parent.

We do not have a predecessor.

We have several affiliates, but at this time, none of them provide services or products to our franchisees. However, it is possible that they will do so in the future.

The Franchises We Offer

We grant franchises for providing in-home care primarily for seniors, focusing on non-medical personal and companion care services to be operated under the CareDiem® Home Care name. The focus is on supporting activities of daily living, including for individuals with more complex needs, such as Congestive Heart Failure, or Parkinson’s.

The business you will conduct (we will call it the “**Franchised Business**”) refers to a business using our CareDiem Home Care service marks and associated logos and symbols we designate from time to time (we will call these marks, logos and symbols the “**Licensed Marks**”) to provide in-home non-medical care primarily for seniors, focusing on personal and companion care services. The Franchised Business will use the methods and procedures we have developed (our “**System**”) and includes standards, techniques and methods of operation, accounting, record keeping, training, marketing, advertising and public relations, and the standards for conducting a Franchised Business. Our standards and procedures for conducting a Franchised Business are set forth in our Franchise Agreement and Operations Manual.

You will sign a franchise agreement with us for the operation of your Franchised Business (the “**Franchise Agreement**”). The form of Franchise Agreement is attached to this FDD as **Exhibit D**. The Franchise Agreement will require you to operate the Franchised Business in a defined territory (the “**Territory**”). We will determine the specific Territory you are granted based on the density of residents over the age of 65 in the area at the time you are signing the Franchise Agreement. You must operate the Franchised Business as a full-time business, even though you do not personally need to be involved in providing care to clients. You will provide services to seniors residing in the Territory. Services can be provided to seniors living independently, or at senior living campuses and assisted living communities. The care options will range from hourly services to live-in services and can be customized by the senior. Operating a Franchised

Business will also require you to handle the administrative and business aspects of the Franchised Business. This includes marketing to potential referral sources and client prospects in the Territory, recruit and train caregivers and other employees, contract with clients to provide services, and generally overseeing the provision of services in the Territory.

To operate your Franchised Business you must first obtain the proper licensure and certifications, which may vary by state. You will also have to ensure that your employees hold current, professional licenses and certifications required by applicable law. Obtaining the proper state licensure may take many months. For example, we estimate that in Illinois, it takes 4 to 6 months to obtain licensure to operate a home-care business. Even though you will not be able to provide services to clients during the time you wait for the licenses and certifications necessary you will be able to start operating your business. For example, you will be expected to establish your business, develop referral sources and start signing up caregivers. You (or your owner) will also be able to complete the initial training program during this time.

When you first sign the Franchise Agreement you will typically be granted rights in one Territory. If you later wish to expand your Franchised Business you may request that additional Territories be added and, if you satisfy our then current criteria for the requested Territories, we will grant you such rights. If you are granted rights to more than one Territory, references to “the Territory” in this franchise disclosure document refer to all of your Territories.

When you first start operating your Franchised Business you can do so out of a home office, as long as the home office is located in your Territory. However, no later than a year from signing the Franchise Agreement you will have to have a professional space of about 600 square feet to operate out of. You will also need a suitable vehicle for your Franchised Business, and within a year of signing the Franchise Agreement you must have a vehicle with CareDiem Home Care branding. Currently we do not have any requirements for vehicle year, mark or models, but we may set such standards and will set general standards for its visual appearance and condition in our Operations Manual.

We do not operate businesses of the type being franchised to you, but our affiliate, At Your Service HomeCare, LLC which does business under the name CareDiem Home Care, LLC, operates a similar business in Palatine, Illinois. We do not engage in other business activities and have never offered franchises in any other line of business.

General Market and Competition

The market for home care services to older adults is well-developed and growing as the number of people aged 65 years and older in the United States continues to increase. CareDiem franchisees can expect to compete with other national and local home care businesses, home care companies, hospitals, living facilities and sole proprietors performing similar services. These include businesses such as Brightstar, Home Instead, Always Best Care, Axis Home Care, Midwest Regional Home Care, Firstlight Home Care, and United Home Care.

Laws and Regulations

You must comply with all federal, state and local laws and regulations that apply to your operations, including those relating to the health care industry, professional and facility licensing, minimum wage laws, workers’ compensation, corporate, tax, environmental, sanitation, insurance, no smoking, EEOC, OSHA, non-discrimination, employment and sexual harassment

laws. This disclosure document does not address all laws or regulations that may apply to your Franchised Business. It will be your responsibility to ensure that the Franchised Business complies with all applicable laws. The following types of regulation that may apply to the ownership and operation of your Franchised Business:

Licensure; Record Keeping

Many states have licensing, certification or registration requirements applicable to the services you will be providing as a CareDiem Home Care franchisee. Some states also require you to obtain accreditation before licensure. The regulation varies by state. You must obtain and maintain any health care or employment related permits, accreditation, licenses, certifications or other indications of authority necessary in your state and location for the operation of your Franchised Business, including, for example, a home care agency license, nurse staffing and/or employment agency license and medication management licensing compliance. State licensing, certification and registration statutes may require a minimum level of education or related work experience and/or the payment of a fee in order to obtain the license.

You cannot provide nursing services, without complying with the Nurse Practices Act of the state where you are providing nursing services. The Nurse Practices Act varies by state and may include requirements regarding licensing, educational program standards, and supervision by a physician. Some jurisdictions may also require a Certificate of Need. Some states require you to obtain a license to provide employment services. Local law may require you to obtain a particular permit, license or accreditation. Some states have imposed a moratorium on the issuance of home care agency licenses, nurse staffing licenses, and other in-home healthcare licenses or permits. You are responsible for investigating the availability and requirements for obtaining all necessary licenses in your state and compliance with the Nurse Practices Act.

In addition to obtaining business licenses, your staff may also need to be licensed, registered, or certified to perform certain services. You may also be required to have a full-time registered nurse (RN) to comply with the regulations in your state governing nursing agencies and/or home care agencies and to provide services through licensed individuals. Some states may also have specific record-keeping or other requirements for health care providers. You will be responsible for investigating and complying with any such laws that may apply in your Territory.

Anti-Kickback Laws

Certain provisions of the Social Security Act, commonly referred to as the “Anti-Kickback Act,” prohibit the offer, payment, solicitation or receipt of any form of remuneration either in return for the referral of patients or patient care opportunities paid in whole or in part by a federal health care program, including the VA, or in return for the recommendation, arrangement, purchase, lease or order of items or services paid in whole or in part by a federal health care program, including VA benefits. The Anti-Kickback Act is broad in scope and has been broadly interpreted by courts in many jurisdictions. The Anti-Kickback Act prohibits many business courtesies and arrangements that are common outside the health care industry.

Additionally, a number of states have enacted laws which prohibit payment for referrals and other types of “kickback” arrangements. These state laws sometimes apply to all patients regardless of their insurance coverage.

Other Federal Regulations

There are a number of federal laws prohibiting certain activities and arrangements relating to services or items that are reimbursable by Medicare or Medicaid. While Medicare and Medicaid laws may not apply to your Franchised Business, these laws may apply to facilities you may be allowed to service in your Territory, including laws prohibiting Medicare- or Medicaid-participating facilities, from employing providers excluded from those programs.

If a practitioner is an excluded provider from Medicare or Medicaid, they will be prohibited from receiving payment from that facility. It is your responsibility to determine whether and to what extent employees of your Franchised Business need to be screened for their possible excluded status in these or other payment programs.

To the extent your Franchised Business accepts reimbursement directly from the VA, it will be required to satisfy the applicable regulatory requirements the VA imposes on its vendors, including but not limited to the Federal Acquisition Regulations and various VA contract requirements. The False Claims Act imposes civil liability on persons or corporations, which submit or cause to be submitted false or fraudulent claims for payment to the government. A violation of the False Claims Act may result in liability for fines, treble damages, attorneys' fees and exclusion from federal health care programs.

We require all of our franchisees to be compliant with the portions of the Health Insurance Portability and Accountability Act ("HIPAA") which require health care providers to submit transactions related to payment in standard electronic formats and regulate the security and privacy of health data, and HIPAA's implementing regulations, including the HIPAA Privacy Rule, HIPAA Breach Notification Rule, HIPAA Security Rule, HITECH Act, and Omnibus Rule. Under HIPAA's privacy and security regulations, you must implement privacy and security policies and safeguards, designate a privacy and security officer, inform individuals how their health information is used and disclosed, provide access to health information, and give notice of certain breaches of protected data.

General Matters

Laws and regulations may change at any level of government at any time, resulting in increased scrutiny applied to medical and home care by various levels of government. As such, the costs of compliance may increase. You are responsible for keeping informed about changes in legislation that may impact the operation of your Franchised Business. We strongly urge you to consult with competent local counsel regarding all of the laws and regulations described above and others that may be applicable to you and your Franchised Business.

This document does not include all laws that may apply to your Franchised Business. You should also be aware of pending legislation that may affect your Franchised Business in the future. We have resources available as a reference to you, but you are solely responsible for investigating, understanding and complying with the laws, regulations and requirements applicable to you and your Franchised Business.

Our Prior Experience

Though we only started offering CareDiem Home Care franchises as of March 24, 2024, our founders, Grishma Patel and Danielle Rajoo founded At Your Service HomeCare, LLC in 2013. That company has, since 2013, been offering services of the type your Franchised Business will offer. At Your Service Home Care, LLC operates in Palatine, Illinois, and offers non-medical assistance, including hourly and live-in options. It also provides on-site services at senior living communities.

Your Owner's Obligations

If you are an entity, all owners must sign an Owner's Guaranty in the form attached to the Franchise Agreement. In addition, all owners must sign the Owner's Acknowledgement in the Franchise Agreement agreeing to accept and be bound by their separate rights and obligations in the Franchise Agreement.

Item 2

BUSINESS EXPERIENCE

Managing Partner: Grishma Patel

Grishma has been our Managing Partner since we were formed in January 2024. She has also been the Marketing Director of Zigma Visiting Physician, LLC since January 2024. Grishma is the Managing Partner of Holy Mary Home Health Care Inc. (dba CareDiem Home Health) since May 2023. Grishma has been the Marketing Director of Meridian Palliative & Hospice Care Services LLC since January 2023. She is the Managing Partner of At Your Service HomeCare, LLC since February 2013. She and Danielle share the managing partner positions for each company. She works out of Palatine, Illinois.

Managing Partner: Danielle Rajoo

Danielle has been our Managing Partner since we were formed in January 2024. She has also been the Finance Director of both Zigma Visiting Physician, LLC and Meridian Palliative & Hospice Care Services LLC since January 2024. Danielle is the Managing Partner of Holy Mary Home Health Care Inc. (dba CareDiem Home Health) since May 2023. She has also been the Managing Partner of At Your Service Home Care, LLC since October 2016. She and Grishma share the managing partner positions for each company. She works out of Palatine, Illinois.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5
INITIAL FEES

All franchisees pay a \$40,000 initial franchise fee to us when they sign the franchise agreement. The fee is for one Territory. If you are granted the right to more than one Territory, you will have to pay an initial franchise fee for the additional Territory, but we will discount the initial franchise fee by 20%. For example, if we grant you the right to two Territories, your initial franchise fee will be \$72,000.

A 20% discount will be available to military veterans and spouses for their first location and Territory.

We also charge a \$5,000 initial training fee to train you and your initial Agency Manager.

If you later wish to expand your Franchised Business you may request that additional Territories be added and, if you satisfy our then current criteria for the requested Territories we will grant you such rights. You will have to pay an initial franchise fee for the additional Territory, but we will discount the then current initial franchise fee by 20%.

You must also pay us for our assistance with your digital opening marketing campaign and for the opening inventory of marketing materials we will procure for you. The marketing materials will include promotional items with the Care Diem Trademarks and business cards for your use. We will invoice you a fee that in part offsets our expenses for the initial marketing support we will provide to you. The fee will cover what we pay for the marketing materials and promotional items as well as cover some additional services we pay for, but the fee will not be more than \$3,000.

All fees and payments listed in this item will be fully earned when paid and are not refundable.

[Remainder of page intentionally left blank]

Item 6

OTHER FEES

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Royalty ⁽²⁾	5% of Gross Revenue or the current minimum monthly flat fee, whichever is greater. The minimum monthly flat fee is \$0 during the first year following the Licensure Date, \$2,000/month during the second year following the Licensure Date, and \$3,000/month during the remainder of the term.	On the 3rd day of each month following the Licensure Date	See Note 2. You will be able to start providing services through your Franchised Business once all required licensures and certifications have been obtained. We call that date the "Licensure Date."
Brand Development Fund	Up to 3% of Gross Revenue Currently 2% of Gross Revenue up to \$1 million of Gross Revenue per year, and then 1% of Gross Revenue on Gross Revenue over \$1 million per year. However, the monthly minimum fee is \$500 for the first year of operation, \$700 for the second year of operation, and \$1,000 for each following year.	On the 3rd day of each month following the Licensure Date	We have established a Brand Development Fund which will help promote the CareDiem Home Care System.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Grand Opening Advertising – Digital and Opening Marketing Assistance	Actual expense, up to \$3,000	As incurred	See Note 3.
Local Advertising Spend	Up to 3% of Gross Revenue, currently the higher of \$1,000/month and 1% of Gross Revenue	As incurred	See Note 4.
Advertising Cooperative Fee	Currently not assessed, up to 3% of Gross Revenue	As incurred	We do not currently assess the Advertising Cooperative Fee. In the future we may set up Advertising Cooperatives and may require you to participate. The fees paid to the Advertising Cooperative will off-set your required Local Marketing Spend. See Note 5.
New Manager Training	\$3,000 per person,	Upon request	If you hire a manager after you have completed your initial training, or if you replace the manager during the term of the Franchise Agreement, and we determine that they need training, you will have to pay us this fee. You will be responsible for any costs and expenses that you and the manager incur in connection with the training.
Additional Training	Currently \$500 per day per trainer, plus expenses	Upon request	Payable if you request additional training, or if we determine you require additional training. You are likely to incur travel and lodging expenses in addition to this fee.
Ongoing Training	Currently \$500 per day per trainer, plus expenses	Upon request	Payable if you wish to take advantage of additional, optional training, or if we require you to participate in additional training. We have

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
			the right to require that you and your Agency Manager participate in up to 2 days of additional training per year. You are likely to incur travel and lodging expenses in addition to this fee.
Franchisee Conference/Annual Meeting Attendance	A fee to off-set our cost of organizing the meeting, currently \$500 per attendee.	Upon request	This fee is intended to off-set our expenses for organizing an annual conference or regional meeting for our franchisees. You are likely to incur travel and lodging expenses in addition to this fee.
Technology Fee	Currently, \$500 per month	On the 3rd day of each month	See Note 6. This fee covers the cost of software that we provide to you, as well as bench marking and HR compliance support. It will not cover the cost for all technology that you will need to operate your Franchised Business, only the technology that is invoiced by technology vendors through us. As the technology or prices change, the technology fee will change. The technology fee may also include a nominal amount to cover our administrative costs for administering the payments.
Bookkeeping Service Fees	Currently, \$400 - \$450 per month	Upon request	See Note 7.
Customer Lead Generation Fee	Currently, none.	Upon request	We do not currently charge any fee for referring customer leads to you, but we reserve the right to do so in the future. If we charge a fee in the future we would set the fee so to off-set our cost of developing and providing you with the customer lead.
Key Account Referral Fee	Currently, none.	Upon request	If, in the future we develop a national account/key account program we may charge you a fee for referrals in your

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
			Territory. If we charge a fee in the future we would set the fee so to off-set our cost of developing and providing you with the customer lead.
Call Center Fee	Currently, none.	On the 3rd day of each month	If we set up a call center we may require you to use the call center for incoming calls from prospective customers. We have the right to charge an administrative fee for this service.
Vehicle Wrap	\$2,500 to \$5,000	Within 1 year of signing the Franchise Agreement.	You must get a CareDiem branded vehicle wrap for the vehicle you use in the Franchised Business no later than by the first anniversary of the effective date of the Franchise Agreement. You can get this from any vendor.
Customer Satisfaction Survey and Feedback Fee	Actual cost, currently \$300 per year	Upon request	We will conduct periodic customer satisfaction surveys and will charge you a fee to off-set our actual cost, including our cost for administering the surveys.
Audits	Costs of audit, including travel, lodging, and fees or wages for our personnel or third parties required to conduct the audit.	Upon demand	Payable if audit shows an under-statement of at least 2% of reported Gross Revenues for any calendar month. Also payable if you fail to file required financial reports.
Quality Audit Fee	Actual expenses we incur.	Within 15 days of your receipt of invoice	We have the right to inspect your business, including coming along on customer home visits to ensure that you operate the Franchised Business in accordance with the System. We may charge you for the expense of the audit, which cost may include the hiring of a third party to perform the audit

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Alternative Supplier or Product Review Fee	The greater of \$500 and our actual cost	Upon request	Payable if you want to buy approved products or services from another supplier than one we have already approved, or if you want to buy different products or services than those we have approved.
Territory Increase Fee	Varies, depending on the number of seniors living in the additional zip code.	Upon approval of Territory increase	During the term, you and we can agree to increase your Territory by adding contiguous zip codes. The fee is payable if we grant you an increase of your Territory. The per senior fee has not been determined at this time, but is expected to be commensurate to the per senior calculation that the initial franchise fee calculation is based on.
Additional Territory Fee	The then current initial franchise fee, discounted by 20%	Upon approval of additional Territory	Franchisees who meet our criteria for operating in additional Territories may be granted additional Territories to operate their Franchised Business in.
Transfers	<p>75% of the then current initial franchise fee if buyer is new to the system.</p> <p>50% of the then current initial franchise fee if buyer is already a franchisee.</p> <p>\$1,500 for transfers between current owners, or a new owner is added but does not change owner of majority ownership</p>	Upon request	See Note 8.

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Successor Agreement Fee	\$5,000	Upon signing of a successor Franchise Agreement	Payable if you and we agree to enter into a successor Franchise Agreement when the term of your Franchise Agreement expires.
Indemnification	Will vary under the circumstances	Upon request	You must reimburse us for claims from the operation of the Franchised Business, any occurrence at your Franchised Business, or your breach of any terms of the Franchise Agreement and expenses that we incur to protect ourselves from and to remedy any breach of the Franchise Agreement by you.
Late Charge on Overdue Amounts	The lesser of 1.5% per month or the maximum rate allowed by law	Upon demand	Payable on overdue amounts owed to us. The late charge begins from the date of the underpayment.
Insufficient Funds Fee	\$100	Upon demand	If there are insufficient funds in your account for us to collect in full any amounts that are due under the Franchise Agreement, then you will have to pay this fee.
Insurance	Actual cost of insurance and reasonable fee for us procuring it.	Upon demand	If you do not buy the insurance coverage required under the Franchise Agreement, we have the right to purchase it for you. You will have to reimburse us for the cost of the insurance and our reasonable fee for procuring it for you. See Note 9.
Legal actions against you	Actual cost incurred by us.	As incurred	Under the Franchise Agreement you will reimburse us for costs and fees that we incur with regard to legal actions against you, your affiliates, your owners, and your affiliates' owners, if we are required to participate in that action, for example by responding to discovery requests or by making an

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
			appearance as a witness or otherwise. See “Indemnification” above for a description of your obligation to reimburse us for fees and expenses incurred if any action is brought against us with regard to the Franchise Agreement, the Franchised Business and related matters.
Late Charge on Overdue Amounts	The lesser of 1.5% per month or the maximum rate allowed by law	Upon demand	Payable on overdue amounts owed to us. The late charge begins from the date of the underpayment.
Non-Compliance Fee	1% of Gross Revenues	Upon demand	Payable if you are in default under the Franchise Agreement. The fee will be assessed on Gross Revenues for each month you are in non-compliance.
Temporary Management Assistance Fee	10% of Gross Revenues, plus travel and lodging	As incurred	If you are in default under the Franchise Agreement, or if your operating owner is incapacitated or dies, we have the right to step in and manage your Franchised Business.
Tax Gross-Up Fee	As incurred	As incurred	If we must pay any state or local sales, use, gross receipts, or similar tax on payments which you make to us under the Franchise Agreement (other than our income taxes or comparable taxes), you will have to reimburse us for that cost. It does not matter whether we have to pay the taxes directly, if you have to withhold them, or if you have to collect them from us.
Liquidated Damages	See Note 6.	Upon demand	See Note 10.

Notes:

- (1) Except for the cost of the vehicle wrap, these payments are uniform and are not refundable. The vehicle wrap is purchased from a vendor of your choosing and the terms of your purchase will be negotiated between you and your vendor. Except for the cost of the vehicle wrap, none of these fees are imposed or collected on behalf of a third party and are payable to us, though we may require you to pay a portion of the required local advertising spend to us for disbursement to suppliers of advertising and marketing services. The Technology Fee, in most part, will also be used by us to pay for the fees charged by technology and software providers for the products and services they provide to you. The bookkeeping fee is paid directly to the bookkeeping company. You will pay your insurance company for the insurance you are required to maintain. Unless other collection procedures and time frames are stated specifically for a fee, it is collected by us on a monthly basis, by electronic fund transfer (EFT).

Some fees that we may charge you are set as a fixed dollar amount. Because of inflation, the scope of services or products provided in exchange for the fee, or other cost increases we may experience in connection with providing the services or products, we have the right to increase fees set as a fixed dollar amount. We can increase those fees by up to 10% annually. The annual increase is cumulative, so if we do not increase a fee in any year, or we do not increase it by the full 10%, then in a subsequent year we may increase the fee not just by the 10% increase permitted in that year, but also with the increase permitted in previous years, which we did not use. For example, if a monthly fee is \$10 currently, and next year we do not change it, then the following year we could increase that fee to \$12.10. Fees that are expressed as a percentage are not impacted by this right to increase fees, but where fees are expressed as a percentage or a fixed dollar amount, the dollar amount that is part of such fee may be adjusted.

- (2) **Gross Revenues and Royalty Percentage.** “Gross Revenues” means revenues attributable to or derived from the operation of the Franchised Business, including, but not limited to, from the sale of in home care services, optional add-on and ancillary services and products provided to customers inside or outside of the Territory (whether or not such sales outside of the Territory were permitted under the Franchise Agreement), including barter and credit transactions (before commissions and discounts for credit cards), whether or not collected, proceeds from any business interruption insurance or other loss of income insurance applicable to loss of revenues due to the non-availability of caretakers, and proceeds for guaranteed no-show revenue which is collected, but excluding sales taxes, or any other taxes collected by you from customers for transmittal to appropriate taxing authorities. No adjustments will be made for customer refunds, unless expressly approved by us, and only if you notify us in writing within seven days of the refund request being made by the customer. Gross Revenue shall be accounted for in accordance with the accounting procedures set forth in the Manual from time to time. Gross Revenues shall be accounted for in accordance with the accounting procedures set forth in the Manual from time to time.
- (3) **Grand Opening Digital and Opening Marketing Assistance.** In advance of your expected Licensure Date, you will have to conduct a Grand Opening campaign, in accordance with the requirements set forth in the Operations Manual. As part of that Grand Opening campaign, you will have to pay us for our assistance with the digital marketing campaign, and the addition of your Franchised Business to our website. Our fee will also include providing you with an initial set of marketing collateral, such as business cards, pens, and other promotional items. The fee you pay us will be calculated

to off-set our expenses incurred in providing you this service and the marketing and promotional items, but it will not be more than \$3,000. This is not going to be your only expenses for your total Grand Opening advertising campaign, as you will be required to spend money on other forms of advertising and promotion as well. The timing of your Grand Opening advertising campaign will depend on how long it takes to obtain the necessary licensure to operate a home health care business in your location. Some franchisees will be able to obtain their licensure very quickly, and therefore start their Grand Opening campaign in connection with opening their Franchised Business. For other franchisees obtaining licensure will be a process of many months, and we expect those franchisees will do a soft opening of their Franchised Business before obtaining licensure. During the soft opening phase, they will start building their network of referral sources and getting to know potential clients. For those franchisees, the Grand Opening campaign will happen after they have already started to do business. Because the timing of the Grand Opening campaign being different the digital and opening marketing support expense is listed in Item 5 as well as in this Item 6. For some franchisees it is a fee paid before they open their business (Item 5) and for some it is a fee paid after they already started their business (Item 6). There will only be one Grand Opening campaign for each Territory a franchisee operates.

- (4) **Local Advertising Spend.** You are required to spend a minimum amount every month on local advertising. We have the right to determine the types of expenses that may be counted towards this monthly spend or specify approved vendors that you must use. If you are required to contribute to an Advertising Cooperative you can off-set those payments against the local advertising spend. We may collect a portion of this spend to pay vendors that require centralized billing. We may also require that you pay some of the local advertising spend to us, for disbursement to approved suppliers of advertising and marketing services.
- (5) **Advertising Cooperative.** If we start a local or regional advertising cooperative for your area, you will have to contribute up to 1% of your Gross Revenue to the cooperative, though your required local marketing expenditures will be reduced by the same amount as you contribute to the coop. If we or our affiliates own any CareDiem Home Care Territories that are members of the coop, those locations will have the same voting rights with respect to the coop and fees imposed by the coop, as franchised Territories that are members.
- (6) **Technology Fee.** This fee covers the cost of software that we provide to you and may in the future also cover other technology made available to you, such as an intranet site. It will not cover the cost for all technology that you will need to operate your Franchised Business, only the software licenses that are invoiced by technology vendors through us and other costs we incur related to provide you with specific technology tools and services. As the types of software and technology included in the Technology Fee may change and the prices change, the Technology Fee will change. The Technology Fee may also include an amount to cover our administrative costs for administering the payments and administering the technology services being provided.
- (7) **Bookkeeping Services Fee.** We require you to use the bookkeeping firm UniFi (Correll Accounting Inc.) to provide you with bookkeeping services. UniFi may offer different packages and the fee will depend on which package you choose. The fee is also likely to change during the term of your Franchise Agreement.

- (8) **Transfers.** If control of the Franchisee doesn't change in the transfer, the transfer fee is \$1,500. If you are selling the Franchised Business to another existing franchisee, the transfer fee is 50% of the then current initial franchise fee. If you are selling the Franchised Business to a franchisee that is new to the CareDiem Home Care System, then the transfer fee is 75% of the then current initial fee. The transfer of your Franchised Business (including the transfer of the ownership interest in the company that is the Franchisee) requires our consent and fulfillment of several conditions in addition to the payment of the transfer fee. We will process your request for a transfer pursuant to our then current procedures, criteria and requirements. For example, we will have to approve the proposed transferee and you will have to sign a general release of claims.
- (9) **Insurance.** The insurance requirements that you have to comply with may change during the term of your Franchise Agreement. The Operations Manual will set forth the most current requirements and we may also communicate the requirements. If your landlord requires additional insurance, you will be required to obtain that coverage as well. At this time, we require that all insurance shall be procured at the earliest possible time that Franchisee has an insurable interest with respect thereto, but in no event later than the opening of the Franchised Business. We require it to be written by insurance companies with an A.M. Best rating of A-VI or greater. As of the Effective Date, at a minimum, you must maintain the following:
- (a) Commercial General Liability (CGL) insurance with coverage for bodily injury, personal injury, property damage, contractual liability, products liability, completed operations, and independent contractors, written on the latest ISO CG 00 01 occurrence form or equivalent. The policy shall have minimum limits of (i) \$1,000,000 for each occurrence, and (ii) \$2,000,000 annual general aggregate. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$1,000,000 Products/Completed Ops Aggregate, \$100,000 Damage to Rented Premises, and \$5,000 Medical Expense.
 - (b) Professional Liability Insurance professional liability insurance on an occurrence basis with a separate limit not less than \$1,000,000 per occurrence and \$3,000,000 aggregate per policy year.
 - (c) Cyber Liability with a \$500,000 minimum limit responding to unauthorized access of your location's computer system, covering costs associated with notification of affected parties, credit monitoring, investigative & administrative costs, as well as 3rd party liability for the breach.
 - (d) Sexual Misconduct and Physical Abuse Liability with a separate limit not less than \$1,000,000 per occurrence/\$3,000,000 aggregate per policy year
 - (e) Employment Practices Liability (EPL) insurance with \$500,000 minimum limits providing defense costs and damages up to policy limits for claims of sexual harassment, discrimination, and wrongful termination (coverage must include a "3rd Party Endorsement" to respond to client allegations of similar wrongful acts) to include at minimum \$250,000 for Wage & Hour defense costs. If the EPL is not accessible or available at a reasonable cost (as determined by our finance department in writing), a minimum \$100,000 for Wage & Hour defense costs may

be accepted. Should you elect EPL with a minimum \$100,000 for Wage & Hour defense costs and a claim is made against you or any of your employees or affiliates, you must obtain a letter of credit for the difference between the standard \$250,000 minimum and the \$100,000 exception. You must purchase a minimum 12-month extended reporting endorsement (aka "tail") upon sale or closure of your business

- (f) Crime Coverage Insurance responding to employee theft from you or theft of your clients' property with a minimum \$25,000 limit per incident and must not contain a Conviction Clause.
- (g) Automobile Liability not less than \$1,000,000 combined single limit each accident.
- (h) Workers' Compensation and Employer's Liability insurance for all employees that work at for the Franchised Business, regardless of whether Franchisee is able to exempt itself under applicable state law from the Workers' Compensation requirement, or whether the employees are full-time, part-time, temporary, seasonal, leased, or borrowed. The Workers' Compensation coverage provided shall be in accordance with the laws of the state where the Franchised Business and Territory is located, and the Employer's Liability coverage shall have limits of \$500,000 each accident for bodily injury by disease; \$500,000 each employee for bodily injury by disease; and \$500,000 policy limit for bodily injury by disease.

(10) **Liquidated Damages.** If you terminate the Franchise Agreement without cause, or if we terminate it for your breach, you will pay us liquidated damages to compensate us for the damages we incur as a result of you not operating your Franchised Business for the duration of the Franchise Agreement term. The liquidated damages will be an amount equal to the ongoing fees paid under the Franchise Agreement for the 24 months preceding your default. If you have operated for less than 24 months, then we will use the period of actual operation and project what those fees would have been over a 24-month period. The fees included in the calculation are ongoing fees listed in Section 4 of the Franchise Agreement and include royalty fees, brand development fund fees, web strategy and intranet fees, and pro-rata marketing and advertising fees. The portion of liquidated damages that reflects brand development fees that we did not receive because of the termination will be contributed to the Brand Development Fund.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ⁽¹⁾	\$40,000	Lump Sum	Upon signing Franchise Agreement	Us
Initial Training Fee ⁽²⁾	\$5,000	Lump Sum	Upon signing Franchise Agreement	Us
Training Expenses ⁽³⁾	\$0 - \$3,000	As incurred	As incurred	Hotels/ airlines/ restaurants/ rental car
Real Property, whether purchased or leased ⁽⁴⁾	\$0 - \$750	See Note (4)	See Note (4)	See Note (4)
Office Equipment and Supplies ⁽⁵⁾	\$500 - \$1,800	As incurred	As arranged	Contractors, approved suppliers
Initial supplies (not office-related) ⁽⁶⁾	\$500 - \$1,100	As incurred	As arranged	Approved Suppliers
Security Deposits, utility deposits, business licenses and pre-paid expenses ⁽⁷⁾	\$2,000 - \$9,000	As incurred	As arranged	Government agencies, service providers, landlord
Software and Hardware ⁽⁸⁾	\$3,875 - \$6,400	As incurred	As arranged	Approved Suppliers
Vehicle and vehicle signage ⁽⁹⁾	\$0 - \$40,000	As incurred	As arranged	Car dealers, approved suppliers, suppliers of vehicle wraps

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Signage ⁽¹⁰⁾	\$0 - \$3,000	As incurred	As arranged	Approved Suppliers
Pre-opening and grand opening advertising and marketing ⁽¹¹⁾	\$5,000 - \$8,000	As incurred	As arranged	Approved Suppliers
Care Giver Recruitment ⁽¹²⁾	\$1,500-\$3,000	As incurred	As arranged	Suppliers
Insurance ⁽¹³⁾	\$2,250 - \$4,500	As incurred	As arranged	Insurance company
Other Professional Fees ⁽¹⁴⁾	\$3,500 - \$5,500	As incurred	As arranged	Government agencies, financial and legal advisors
Additional Funds ⁽¹⁵⁾ – 3 months after Licensure Date	\$15,875-\$38,750	As incurred	As arranged	Employees, government agencies, utilities, suppliers
Total	\$80,000 – 169,800			

Notes:

This is our best estimate on the costs you will incur to develop and open a franchised business based on the experience of our affiliate, At Your Service HomeCare, LLC. The factors that underlie this estimate can vary considerably depending on a number of variables, and the mutual investment you may make may be lesser or greater than the estimates given. The payments to us or our affiliates are non-refundable. Payments to third parties may or may not be refundable. It is up to you to negotiate those payment terms. Neither we, nor our affiliates, offer financing for your initial investment.

- (1) **Initial Franchise Fee.** You must pay the initial franchise fee to us when you sign the franchise agreement. The fee is for one Territory. A 20% discount will be available to military veterans and spouses for their first location and Territory. The fee is for one Territory. We typically only grant new franchisees one Territory, but if you are granted the right to more than one Territory, you will have to pay an initial franchise fee for the additional Territory, but we will discount the initial franchise fee by 20%. For example, if we grant you the right to two Territories, your initial franchise fee will be \$72,000.

- (2) **Initial Training Fee.** We charge a \$5,000 fee for the initial training for you/your owner and your initial Agency Manager.
- (3) **Training Expenses.** You will have to pay for the expenses for attending, such as travel and accommodation. The low end of the range assumes that all your training attendees live close to the training facilities and can stay at their homes during the training. You will also have to pay your Agency Manager's salary.
- (4) **Real Estate.** When you start your Franchised Business you can do so from a home office for the first year. After that, you must have your office in a professional office space. Your office should be about 600 square feet. The low end of this estimate assumes that you start operating the Franchised Business from a home office. If you instead rent an office right away, we estimate that, at the low end, the cost will be \$500. The high end of this estimate reflects the expected high end cost for your office space. Depending on where your Territory is located, your expense may be higher. For example, if your Territory is in the center of a large city, rents may be significantly higher.
- (5) **Office Equipment and Supplies.** This item includes office equipment and supplies. The low end of the cost range assumes that you already have office equipment and equipment. The high end assumes that you must buy a printer and some furniture. There are no leasehold improvements required for your home office. Currently, we also don't have any design standards for a professional office, but we may have developed such standards by the time you are required to move in to a professional office. If we have standards at that time, you will have to follow those standards. When you set up that office you may also incur some architect and design fees, even if we do not have any required standards.
- (6) **Initial supplies (not office-related).** You will have to buy uniform shirts and personal protective supplies. You will also need to get business cards, but that expense is included under the "Initial Launch Marketing Campaign" line item.
- (7) **Licensure and Licensure Assistance, and Security Deposits, Utility Deposits, Business Licenses and Pre-Paid Expenses.** The estimate for obtaining licensure is based on the cost of obtaining a Home Care care services license in Illinois. The cost is likely going to be different in other states. You should inquire with local authorities about the cost in your state. The low end of the estimate assumes that you handle the application process on your own. The high end assumes that you use a third party supplier to obtain the licensure. As of February 1, 2024, 32 states required licensure or registration for personal care services; and 22 of those also required licensure and/or registration for homemaker/companionship services. Most states do not require payment of a licensure fee; but for those that do, the current highest cost is \$5,600 for a start-up operation. Your costs may be higher if you are acquiring your Franchised Business through transfer, because some states base the licensure fee on the number of caregivers employed. You are responsible for investigating licensure requirements for the state in which you will operate and the licensure fees, if any, that may be required.

There are no security deposits or utility deposits typically required for your home office. You will, however, likely need to obtain a business license for your Franchised Business, no matter if you start operating it from a home office or rented space.

- (8) **Software and Hardware.** You will need to purchase a computer that meets our requirements. You will also need access to our business management software and accounting software. Software must be purchased from designated vendors, including Wellsky. You will be using QuickBooks Online for accounting and we will designate a required financial reporting software. This estimate includes the upfront licensing fees and 3 months of subscription costs.
- (9) **Vehicle and vehicle signage.** You will need a suitable vehicle for your Franchised Business, and within a year of signing the Franchise Agreement you must have a vehicle with CareDiem Home Care branding. Currently we do not have any requirements for vehicle year or models, but we will set general standards for its visual appearance and condition in our Operations Manual. At this time we assume that you can use your personal car for the Franchised Business. You will also need to get a vehicle wrap for your car by the first anniversary of your Franchise Agreement effective date. The low range assumes that you use your existing car and don't get the vehicle wrap right away. The high end assumes that you buy a mid-range new car, and get vehicle wrap for the car right away. The vehicle wrap is estimated to cost between \$2,500 and \$5,000.
- (10) **Signage.** Because you can start operating your business from a home office, you will not need any signage in your office. However, if you start your business from a rented space, you will have to pay for signage. Your signage must be approved by us.
- (11) **Pre-opening and grand opening advertising and marketing.** The timing of your Grand Opening advertising will depend on how long it is likely to take to obtain the necessary licensure in your state. If it takes a long time you may start your pre-opening advertising not with the Grand Opening advertising, but with pre-opening networking and contact building in your Territory. No matter when you start your marketing, the general fees paid and expenses incurred are expected to be similar. This line item amount includes the up to \$3,000 that you will have to pay to us to help with digital marketing in connection with the opening of your Franchised Business. The fee will also include setting up a micro website on our website for your Territory and providing you with a starting supply of business and marketing collateral, including business cards. If your licensure will take a long time to obtain, we will not perform our services until closer to the expected Licensure Date. In addition to the fee payable to us, we also expect that you will have to spend additional funds on your pre-opening and Grand Opening advertising. Those fees are also included in this line item. The Operations Manual may set forth the types of activities that must be part of your Grand Opening and we have the right to request that you provide us with receipts showing what activities you engaged in.
- (12) **Caregiver Recruitment.** You will have to recruit caregivers for the operation of your Franchised Business. The cost listed in this line item is intended to cover your pre-opening cost of advertising for caregivers in your area.
- (13) **Insurance.** The insurance requirements that you have to comply with may change during the term of your Franchise Agreement. The Operations Manual will set forth the most current requirements and we may also communicate the requirements. If your landlord requires additional insurance, you will be required to obtain that coverage as well. At this time, we require that you All insurance shall be procured at the earliest possible time that Franchisee has an insurable interest with respect thereto, but in no event later than the opening of the Franchised Business. We require it to be written by insurance companies

with an A.M. Best rating of A-VI or greater. As of the Effective Date, at a minimum, you must maintain the following:

- (a) Commercial General Liability (CGL) insurance with coverage for bodily injury, personal injury, property damage, contractual liability, products liability, completed operations, and independent contractors, written on the latest ISO CG 00 01 occurrence form or equivalent. The policy shall have minimum limits of (i) \$1,000,000 for each occurrence, and (ii) \$2,000,000 annual general aggregate. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$1,000,000 Products/Completed Ops Aggregate, \$100,000 Damage to Rented Premises, and \$5,000 Medical Expense.
- (b) Professional Liability Insurance professional liability insurance on an occurrence basis with a separate limit not less than \$1,000,000 per occurrence and \$3,000,000 aggregate per policy year.
- (c) Cyber Liability with a \$500,000 minimum limit responding to unauthorized access of your location's computer system, covering costs associated with notification of affected parties, credit monitoring, investigative & administrative costs, as well as 3rd party liability for the breach.
- (d) Sexual Misconduct and Physical Abuse Liability with a separate limit not less than \$1,000,000 per occurrence/\$3,000,000 aggregate per policy year
- (e) Employment Practices Liability (EPL) insurance with \$500,000 minimum limits providing defense costs and damages up to policy limits for claims of sexual harassment, discrimination, and wrongful termination (coverage must include a "3rd Party Endorsement" to respond to client allegations of similar wrongful acts) to include at minimum \$250,000 for Wage & Hour defense costs. If the EPL is not accessible or available at a reasonable cost (as determined by our finance department in writing), a minimum \$100,000 for Wage & Hour defense costs may be accepted. Should you elect EPL with a minimum \$100,000 for Wage & Hour defense costs and a claim is made against you or any of your employees or affiliates, you must obtain a letter of credit for the difference between the standard \$250,000 minimum and the \$100,000 exception. You must purchase a minimum 12-month extended reporting endorsement (aka "tail") upon sale or closure of your business.
- (f) Crime Coverage Insurance responding to employee theft from you or theft of your clients' property with a minimum \$25,000 limit per incident and must not contain a Conviction Clause.
- (g) Automobile Liability not less than \$1,000,000 combined single limit each accident.
- (h) Workers' Compensation and Employer's Liability insurance for all employees that work at for the Franchised Business, regardless of whether Franchisee is able to exempt itself under applicable state law from the Workers' Compensation requirement, or whether the employees are full-time, part-time, temporary, seasonal, leased, or borrowed. The Workers' Compensation coverage provided shall be in accordance with the laws of the state where the Franchised Business and Territory is located, and

the Employer's Liability coverage shall have limits of \$500,000 each accident for bodily injury by disease; \$500,000 each employee for bodily injury by disease; and \$500,000 policy limit for bodily injury by disease.

- (14) **Other Professional Fees.** There will be some government fees that you incur when setting up an entity to act as the franchisee, and also when obtaining a business license. We recommend that you consult with a financial advisor to determine what is needed in your community and state. You may also wish to consult with a legal advisor. The estimate in this item assumes a simple ownership structure for the franchisee. If there are multiple owners of the franchisee the legal costs for setting up the company and creating agreements between the owners may be much higher.
- (15) **Additional Funds.** You will need to reserve additional funds to cover expenses until the Franchised Business breaks even. The expenses you will incur include payroll expenses, utilities, and other day to day business operations costs. You will also need funds to pay for your own living expenses during the initial period, and an amount to cover debt service payments and taxes. We estimate (without making any warranty) that the initial period will be 3 months before your Franchised Business generates a positive cash flow after the Licensure Date. Depending on the state you are in, it may take several months before your Licensure Date. For example, in Illinois, it may take up towards 6 months. The estimate given is the amount of additional funds, in excess of revenues, we estimate you will need to cover these expenses during this initial phase. This estimate is based on the experience of our affiliate, At Your Service HomeCare, LLC which has been operating in Palatine, Illinois, since 2013.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers and Specifications: Except as listed below, neither we, nor any of our affiliates, currently require you to purchase or lease any goods, services, supplies, FF&E, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating the franchised business either from us, our designees, or suppliers approved by us, or under our specifications.

To ensure the high and uniform standards of service and quality to be maintained by all CareDiem Home Care Franchised Businesses, you must operate your Franchised Business in conformity with our methods, standards and specifications. You must purchase certain equipment and supplies, and similar items under our specifications and only from our approved vendors or under our specifications. Software and hardware for your Franchised Business must comply with our specifications.

We and our affiliates do not currently sell or lease any products or services to our franchisees, but we may do so in the future. If we do so, we may be one of several approved suppliers, or the only approved supplier for the products or services we or our affiliates will offer. It is also possible that third party vendors will wish to bill us for your purchases, and in that case we will in turn bill you for your purchases. None of our officers own an interest in any of the suppliers you are required to use.

You are required to use UniFi (Correll Accounting, Inc.) for your bookkeeping. Currently, the different service offerings from UniFi cost between \$400 and \$450 per month, but these prices are likely to increase for inflation and similar adjustments over the term of your Franchise Agreement.

We also set insurance requirements that all franchisees you have to comply with may change during the term of your Franchise Agreement. The Operations Manual will set forth the most current requirements and we may also communicate the requirements. If your landlord requires additional insurance, you will be required to obtain that coverage as well. At this time, we require that you All insurance shall be procured at the earliest possible time that Franchisee has an insurable interest with respect thereto, but in no event later than the opening of the Franchised Business. We require it to be written by insurance companies with an A.M. Best rating of A-VI or greater. As of the Effective Date, at a minimum, you must maintain the following:

- (a) Commercial General Liability (CGL) insurance with coverage for bodily injury, personal injury, property damage, contractual liability, products liability, completed operations, and independent contractors, written on the latest ISO CG 00 01 occurrence form or equivalent. The policy shall have minimum limits of (i) \$1,000,000 for each occurrence, and (ii) \$2,000,000 annual general aggregate.
- (b) Workers' Compensation and Employer's Liability insurance for all employees that work at for the Franchised Business, regardless of whether Franchisee is able to exempt itself under applicable state law from the Workers' Compensation requirement, or whether the employees are full-time, part-time, temporary, seasonal, leased, or borrowed. The Workers' Compensation coverage provided shall be in accordance with the laws of the state where the Franchised Business and Territory is located, and the Employer's Liability coverage shall have limits of \$500,000 each accident for bodily injury by disease; \$500,000 each employee for bodily injury by disease; and \$500,000 policy limit for bodily injury by disease.

We estimate that 33% of your initial purchases, and about 48% of ongoing purchases of products and services will be purchased either from us, our affiliates, our designees, suppliers approved by us, or under our specifications.

Alternative Suppliers and Alternative Products or Services: You must obtain our approval to purchase any alternative products or services by submitting a written request to us with all applicable information, specifications or samples we may require. The same applies if you wish to purchase a product or service from an alternative supplier than the supplier we have approved for a product or service. In each case we may charge a fee for the review. Currently, the fee is the higher of \$500 and our actual cost of the testing and research required to evaluate the product or services. The fee is intended to cover our expenses incurred in the review of the alternative product or service, or the alternative supplier. The fee is payable to us at the time you submit the request for approval for the product or service (with any balance due against invoice). Within 90 days, we will notify you whether the alternative product or service, or supplier, is approved. We do not issue particular specifications and standards to Franchisees for approving alternative suppliers, products or services and we do not make such criteria available to franchisees. We may revoke an approval previously given at any time in its discretion, upon notice to you. If we revoke the approval of an alternative supplier, product, or service, you will be notified of the revocation in a manner we deem appropriate. Applications for approval are reviewed on a case-by-case basis.

Relationship Between Us and Approved Vendors: In the future, we may negotiate product and service purchase terms with vendors for the benefit of all CareDiem Home Care Territories, franchised as well as company-owned. We do not currently provide any material benefits to a franchisee based on a franchisee’s purchase of any particular or services or use of particular suppliers. As part of those negotiations it is possible that we will receive rebates or other material consideration from the vendor related to required purchases made by our franchisees. We may choose to pass such rebates on to the Brand Development Fund, or directly to you, but are not required to do so. Since we only started franchising in 2024, we did not receive any rebates from approved vendors based on franchisee purchases made in 2023 and neither we, nor our affiliates had any revenue from required purchases or leases of products or services by franchisees. Currently there are no purchasing or distribution cooperatives for the CareDiem Home Care franchise system.

Item 9

FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in agreement ⁽¹⁾	Disclosure document item
a. Site selection and acquisition/lease	FA §§2.2, 2.3, 2.6, 2.9, 2.10, 5.1	5, 6, 7 & 11
b. Pre-opening purchases/leases	FA §§5.2, 5.3	7 & 8
c. Site development and other pre-opening requirements	FA §§5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 7.1, 7.2	6, 7 & 11
d. Initial and ongoing training	FA §§7.3, 7.4, 7.5	6, 7, 11 & 15
e. Opening	FA §5.4	7 & 11
f. Fees	FA §§2.9, 3.2, 4.1, 4.2, 5.5, 7.4, 7.5, 8.1.D, 8.3, 9.2, 9.3, 9.6 10.4, 12.4, 12.5, 13.7, 14.3, 14.4, 15.1, 15.2, 19.1.B, 19.6 §§2 & 4 of Covenant Agreement.	5, 6, 7 & 11

Obligation	Section in agreement⁽¹⁾	Disclosure document item
g. Compliance with standards and policies/operating manual	FA §§2.8, 4.2, 5.2, 5.3, 5.4, 5.5, 5.6, 7.1, 7.2, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11, 7.15, 7.16, 7.17, 7.18, 7.19, 7.25, 8.1, 8.2, 8.8, 9.1, 10.1, 11.5, 11.6, 12.1, 12.5, 14.1.D	8, 11, 14 & 16
h. Trademarks and proprietary information	FA §§7.25, 7.26, 8.1, 11, 15.1	13 & 14
i. Restrictions on products/services offered	FA §§2.4, 2.5, 7.6, 8.1, 8.2	8 & 16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	12
l. Ongoing product/service purchases	FA §§7.6 & 8.1	8
m. Maintenance, appearance, and remodeling requirements	FA §§7.10	8 & 11
n. Insurance	FA §§12.1, 12.2, 12.3, 12.4	6, 7 & 11
o. Advertising	FA §§4.1.C, 7.25, 8.1, 8.6, 9.	6, 7, 8 & 11
p. Indemnification	FA §§12.5	6, 17
q. Owner participation/management/staffing	FA §§7.2, 7.4, 7.5, and 7.7	11 & 15
r. Records and reports	FA §§7.7, 10.1, 10.2, 10.3, 10.4, 15.3	6 & 11
s. Inspections and audits	FA §§8.3, 8.4, 10.4	6 & 11

Obligation	Section in agreement⁽¹⁾	Disclosure document item
t. Transfer	FA §13	6, 15 & 17
u. Renewal	FA §§3.2	6
v. Post-termination obligations	FA §§11.2, 11.4, 11.12.B, 15, §2 of Covenant Agreement	6, 11, 14 & 17
w. Non-competition covenants	FA §§11.8, 11.12 and 14.3, Covenant Agreement	17
x. Dispute Resolution	FA §§19	17
y. Owner's Guaranty/Owner's Acknowledgement	None	1

Notes:

(1) "FA" means the Franchise Agreement.

Item 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

Item 11

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

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

Pre-Opening Territory and Office Location Obligations

Before you open your business, we will:

Designate a Territory for your Franchised Business. (Franchise Agreement Section 2.3 A)

Approve the location that you will operate your office out of. (Franchise Agreement Section 2.2 A) For the first 12 months after signing your Franchise Agreement the office may be a home office, located in the Territory. After that, you will have to locate a professional, commercial space within the Territory to operate the Franchised Business out of. Any office space you use (including the initial home office) must first be approved by us. If you want to, you can start operating the Franchised Business out of a professional, commercial space right away. In that case you must provide us with your application and the information we require to assess your proposed office location at least 60 days before you start using the office, as we have 60 days to review the proposed office location. If we do not approve the office location you may not use it, and must find an alternative location. The alternative location will be subject to the same approval requirements by us. There are no other consequences to us rejecting a proposed office location, except that if you have not been able to find an office location that we have approved within 12 months of you signing the Franchise Agreement we can terminate the agreement, after giving you an opportunity to cure. Our review of your proposed office location is to determine if it complies with our System standards, and not to determine if a Franchised Business operated out of that location will be profitable or successful. We instead look at factors such as general location of the office, its size, and ease of access to the Territory you operate your Franchised Business in. We do not review your lease, and you will have to negotiate your lease on your own. We do not typically own or lease the premises you will be using for your office.

You must conform your office premises to local ordinances and business codes, and obtain all required permits. If construction and remodeling of the office space is required to be done to conform to System standards, then you are required to complete it on your own expense.

Other Pre-Opening Obligations

Before you open your business, we will:

1. Provide you with information about the necessary computer hardware and software, furniture, fixtures and equipment for Franchised Businesses, required signage, opening inventory and supplies, but it is your responsibility to procure all such items. In some cases, we will provide you the names of approved vendors that you can (or must) purchase these items from, in other instances we will only provide you brand names or required specifications. You will have to make all the purchases yourself, and if installation is required, take care of the installation yourself. We are not required to provide you with equipment, signs, fixtures and opening inventory and we do not deliver or install any of them. (Franchise Agreement – Section 6.1.C).
2. Make available to you the Operations Manual. (Franchise Agreement – Section 6.1.C).
3. Provide a pre-opening training program for your owners and Agency Manager. (Franchise Agreement – Section 6.1.D). A description of our training program appears later in this Item 11 under the caption “Training Programs.” Apart from

the pre-opening training program, we are not required to help train your employees and we are not required to help you hire employees.

4. Provide a starter kit of marketing collateral, including business cards, brochures, and access to advertising materials for use in your local marketing. We will also provide assistance with your initial, digital marketing. We will also approve or disapprove all advertising, signage, written communications, electronic or web-based materials and promotional plans, and other materials displaying our Proprietary Marks that we have not prepared or previously approved. (Franchise Agreement – Sections 9.1 and 9.2).
5. Upon reasonable request, we will consult with and advise you at our home office or virtually (e.g., by telephone, email, or virtual meeting) concerning the opening and operation of the Franchised Business. (Franchise Agreement – Section 6.1.B).
6. Approve your insurance certificates with the additional insured parties named per the insurance requirements specified in the Franchise Agreement (Franchise Agreement – Section 12.1).

Opening of Your Business

Franchisees typically open their Franchised Businesses within 2 months of signing the Franchise Agreement, though you have 3 months to do so under the Franchise Agreement. The factors that affect this time include how long it takes to get the necessary licenses and certifications to operate a home care business in your state. If it takes more than 3 months to obtain licensure we will extend the time permitted to open your Franchised Business.

Obligations During Operation of the Franchise

During the operation of the Franchised Business, we will:

1. Consult with and advise you at our offices, upon reasonable request, concerning the operation of the Franchised Business and problems you may encounter. (Franchise Agreement – Section 6.1.B).
2. Develop and improve the System and modify and add to the Manual as we deem appropriate to reflect changes in the business, authorized products or services, or specifications for authorized products and services, equipment requirements, quality standards, and operating procedures. (Franchise Agreement – Section 6.1.C).
3. Provide franchisee conferences and additional optional or required training programs or seminars as we deem appropriate in consideration of your payment of an additional training fee as described in Item 6. (Franchise Agreement – Section 6.1.D). A description of our additional training appears later in this Item 11 under the caption “Training Programs.” Apart from those training programs, we are not required to help train your employees and we are not required to help you hire employees.

4. Conduct inspections of your Franchised Business and financial records, conduct evaluations of the products and services provided by your Franchised Business, and conduct interviews with your employees, agents and customers, directly, or through mystery shoppers, all as we may deem advisable. (Franchise Agreement – Section 6.1.F).
5. Manage the Brand Development Fund. (Franchise Agreement – Section 9.4). A discussion of the marketing, sales and advertising fund appears later in this Item 11 under the caption “Brand Development Fund.”
6. Approve or disapprove all advertising, signage, written communications, and promotional plans and other materials displaying our Proprietary Marks which we have not prepared or previously approved. (Franchise Agreement – Section 9.1).
7. We may, at our sole discretion, from time to time make suggestions regarding your services pricing. You may decide whether or not to follow those suggestions. (Franchise Agreement – Sections 2.4 and 8.8). (Also see Item 16).
8. Throughout the term of your Franchise Agreement we require you to use a standard chart of accounts, income statement and balance sheet format, and require that you generate monthly reports. We also require you to use a specific accounting software and give us access to your books, and may require you to participate in benchmarking programs and share data with us. Currently, the designated accounting program is QuickBooks and we will designate a required financial reporting software, though the software you will be required to use may change during the term of your Franchise Agreement. You are also required use the bookkeeping firm UniFi (Correll Accounting Inc.) to provide you with bookkeeping services. It will be up to you to maintain your books and to do your accounting. You must also keep business records in the format required by us and must provide us with reports as set forth in the Operations Manual.

We are not required to establish any particular administrative or inventory control procedures, but we may choose to do so.

Advertising Program

While we are not required to do so, we expect to undertake different activities to promote the CareDiem Home Care brand. We may prepare marketing and advertising materials in-house or by outside agencies, both national and regional. We are not required to spend any amount on advertising in the area that your Franchised Business will be located in.

Local Advertising, Websites and Social Media

To facilitate your local marketing and advertising, we plan to prepare pre-approved strategies, including copy and graphic design. All other advertising, marketing, and publicity materials you use must first be approved by us. You must submit to us for our review and approval any materials not already approved by us. This includes all such materials, no matter the medium (e.g. print, digital, social media, and mobile apps). You must at all times comply with our instructions regarding the use of advertising materials, including modifying or ceasing to use those

materials, whether or not we previously prepared or approved the materials. We will try to let you know within 5 business days of when you submit advertising materials whether it has been approved or disapproved, but there is no time limit in the Franchise Agreement for how soon we need to let you know our decision.

Approximately 1 month before your expected Licensure Date you should start conducting your initial launch campaign. We will help you conduct a grand opening marketing campaign. You will have to pay us up to \$3,000 for our assistance. Included in the services we will provide to you is helping you establish a digital presence, and setting up a sub-site on our website for your Franchised Business, and various promotional and marketing items, and business cards. Some of these marketing tactics may be implemented by us in the period leading up to your Licensure Date when you are expected to start networking and building a referral network in your Territory, while others will not be implemented until your Licensure Date.

The amount you pay us will not cover all the opening marketing that you should undertake. You will spend additional money on both marketing your Franchised Business to prospective clients and to recruit caregivers. We require that you spend at least \$3,000 on opening marketing, in addition to the \$3,000 you will pay to us. Exactly when you will incur these expenses will depend on your Licensure Date. Until you have obtained the proper licensure your marketing will be focused on establishing the Franchised Business, conducting local marketing, establishing relationships with influencers and other referral sources, and recruiting caregivers. In addition, we expect that you will spend about \$1,500 to \$3,000 in this period to recruit caregivers.

During the term of the Franchise Agreement, after your Licensure Date, you are required to spend a minimum amount every month on local advertising. Currently that amount is 1% of your Gross Revenue, but we may increase it up to 3% of your Gross Revenue per month. We may from time to time specify what types of expenses count towards the required advertising spend. If we require you to participate in a local or regional advertising cooperative (described below) the amount you must spend on local advertising will be off-set against the amount you pay to the advertising cooperative.

While we do not do so at this time, during the term we may require that you pay part of the local advertising spend to us for disbursement to approved suppliers of advertising and marketing services that you are required to use. This may be the case, for example, if the supplier requires that billing to our franchisees is handled through us.

We will maintain a website for the System, and you may not maintain your own website for your Franchised Business. We will, however, provide you with a subpage on the System website. Developing the initial subpage is part of the digital marketing support we provide you with in connection with marketing of the opening of your Franchised Business. We encourage you to develop a local presence through social media. While we will own the social media accounts, you will have administrative access to the accounts for your Franchised Business and be able to post to the accounts and manage them. Any online or digital presence, such as social media (for example Facebook, Instagram, X/Twitter, and YouTube) and mobile applications, is subject to our social media policy and our general requirements about marketing and advertising. The social media policy (which is part of the Operations Manual) will include provisions about content and design, but also management of your accounts, and may require that we are either the owners of those accounts, or have co-administrative rights to the accounts.

Brand Development Fund

We have established and will manage a brand development fund (the “**Brand Development Fund**”). The Brand Development Fund will be accounted for separately from our other funds. We will not use the Brand Development Fund to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Brand Development Fund and all costs of research, development and preparing national, regional, point of sale and local advertising and marketing strategy materials for use within the System. The Brand Development Fund may be used to pay for a broad range of expenses and activities intended to promote the brand and the System, such as research, development and preparing national, regional, point of sale and local advertising and marketing strategy development and implementation. The materials may be disseminated via radio, television, print media, Internet (including social media), or outdoor advertising. The funds can also be used to create marketing collateral for franchisees to use, funding customer satisfaction surveys, and to fund charitable, educational, and industry promoting activities we believe promote the System. These are only examples of what the funds can be used for. We do not plan to use the Brand Development Fund to solicit new franchisees.

The Brand Development Fund Fee currently depends on your annual Gross Revenue, though there is a monthly minimum amount you will have to pay. Currently, for Gross Revenue up to \$1 million, the Brand Development Fund Fee is 2% of your Gross Revenue, and for Gross Revenue over \$1 million, it is 1% of your Gross Revenue. However, the monthly minimum fee is \$500 for the first year of operation, \$700 for the second year of operation, and \$1,000 for each following year. The Brand Development Fund Fee may be increased by us up to 3% of your Gross Revenues. All franchisees will be required to contribute at the same percentage. All CareDiem Home Care territories owned by our affiliates will contribute to the Brand Development Fund, but may do so at a different basis, or different percentage of Gross Revenue than Franchisees contribute at.

The Brand Development Fund will be administered by us. When we establish a franchisee advisory council, its board will be elected by us and serve in an advisory capacity to us, but we will have sole discretion over the concepts, materials, and media used in these programs and activities and their placement and allocation. We will have the power form, change, or dissolve the franchisee advisory council. The intention is to spend the entire Brand Development Fund Fee collected, provided that we have the right to carry over fees from year to year, if the entire fee from one year is not spent that year. In any calendar year we may spend more or less than the amount of aggregate contributions from all Franchised Businesses to the Brand Development Fund in that year, and the Brand Development Fund may borrow from us or from others to cover deficits or invest any surplus for future use. We will use all interest earned on monies contributed to the Brand Development Fund before we expend other assets of the Brand Development Fund. We will not audit the Brand Development Fund, but Franchisees may, upon written request to us, receive an annual accounting of how advertising fees are spent. Brand Development Fund contributions will not be principally used to sell additional franchises. (Franchise Agreement – Section 9.4).

Expenditures by the Brand Development Fund may not be proportionate or equivalent to contributions to the Brand Development Fund by franchisees operating in that geographic area. You or your Franchised Business may not benefit directly or in proportion to your contribution to the Brand Development Fund. Neither we nor the Brand Development Fund would be liable to you for the maintenance, direction or administration of the Brand Development Fund, including

for contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. The funds collected by the Brand Development Fund and any earnings thereon, are not and shall not be an asset of ours or of any Franchisee.

Since we only started franchising in 2024 no funds were contributed to the Brand Development Fund in 2023.

Franchisee Advisory Council

We do not currently have a franchisee advisory council but may set one up in the future.

Advertising Cooperatives

We have not established, but may in the future establish and maintain, local and regional advertising cooperatives for geographic areas (each an “**Advertising Cooperative**”), in which you must participate. We will determine the area for each Advertising Cooperative, but generally the intention would be to set up the area so that franchisees in a region or area can pool advertising funds that benefit the group by undertaking joint advertising and marketing programs. Franchisees and our and our affiliates’ CareDiem Home Care locations who are members of the Advertising Cooperatives will all contribute on the same basis. The Advertising Cooperative fee will be no more than 3% of your Gross Revenue per month. If you are paying an Advertising Cooperative fee you will be able to off-set the Advertising Cooperative fee against the minimum local marketing spend required under the Franchise Agreement.

We will determine whether to form any Advertising Cooperatives, and if formed, we will decide if and how to change them, merge them, or dissolve them. We will be responsible for administering the Advertising Cooperative. We are not required to prepare written governing documents for any Advertising Cooperative, but if we do, the members of that Advertising Cooperative will be able to review the governing documents. The Advertising Cooperatives will prepare unaudited annual financial statements and those will be available to review by their members, once finalized.

Computer Systems

You must obtain and use the computer system which we require from time to time. You must have a computer and a printer at your office and have a high-speed internet connection. You must use QuickBooks Online for your accounting, and we will designate a required financial reporting system software for reporting, and WellSky for your business management/CRM. The required financial reporting software is used for reporting to us, to develop reports, and to share information for benchmarking purposes. WellSky allows you to manage client acquisition, caregiver recruitment and scheduling, ongoing client management, including scheduling, access training for staff and caregivers, marketing tools, and reports. If we require you to use a specific system, you will have to use that point-of-sale system. There may be other hardware and software and software tools that we require you to use for the operation of your Franchised Business.

The initial cost of the computer system is estimated to be between \$3,875 and \$6,400 depending on whether you already have computer equipment that meets our requirements, and if you purchase new equipment, the specific brands and models you choose. We have no contractual obligation to provide ongoing maintenance and repairs, or to upgrade or update any hardware or software, and neither does any affiliate of ours, or any third party.

You will also have to pay monthly license fees for the software that you use in your Franchised Business. The Technology Fee you pay to us will cover some of the computer and software related expenses, but it will likely not cover all your ongoing computer system expenses. The Technology Fee is currently \$500 per month, but it is subject to change. Currently, the Technology Fee will cover your license for QuickBooks Online and the designated reporting software, as well as benchmarking and compliance support technology. In addition to the Technology Fee, we estimate that your monthly software-related expenses will be about \$730.

Upgrades and updates to the software programs that you will use are often included in the monthly license fees that you will pay, but in the future, we may require you to change, upgrade or modify the type of computer hardware and software beyond those types of upgrades and updates at your expense. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We estimate that the annual cost of optional and required maintenance, updating, or support contracts for your computer equipment will be about \$800 to \$1,200.

We and our affiliates may condition any license of proprietary software to you or your use of technology that we or our affiliates may require, develop or maintain, on your signing an agreement or similar document that we, our affiliates or the vendor may require to regulate the use of the software. You will have to implement the software, computer, and internet security procedures that are outlined in the Operations Manual from time to time. You may be required to use only approved hardware and software products and services, and to purchase or lease them only from approved vendors.

We have the right to obtain independent access to all of the data on your computer, including but not limited to financial, operating, and key metric data. There are no contractual limitations on our right to access the computer. Our access to your data may be limited by privacy law and HIPAA.

You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including biometric or health data (“**Personal Information**”) in accordance with applicable laws and industry best practices. You must comply with the Payment Card Industry Data Security Standard (commonly known as “PCI Compliance” or “PCI-DSS”). It is your responsibility (even if we provide you assistance or guidance) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you must notify us immediately and specify the extent to which Personal Information was compromised or disclosed.

Operations Manual

The table of contents of our Operations Manual is attached as **Exhibit F**. The manual has 395 pages. We plan to make the Operations Manual available to you through our intranet/business portal. The intranet will also contain other information such as marketing tools and content and training content.

Training Program

We will provide you, your owners, and your Agency Manager with pre-opening training before opening your Franchised Business. The training will take place in Palatine, Illinois. You will be required to cover the cost for travel and any wages or expenses.

The training program will last for approximately 1 week, but the exact hours of training depend on your previous experience with operating a home healthcare business similar to the Franchised Business. If you already operate the Franchised Business in one or more Territories, we may waive the initial training requirement completely or in part for one or more of the persons who would normally be required to participate

You/at least one of your owners, and your agency manager must complete the entire training program to our satisfaction before opening of your Franchised Business. If any of your attendees fail any portions of the training, we have the right to terminate the Franchise Agreement. If you want to bring additional persons to training their participation is subject to our approval, and we may limit the number of attendees due to space limitations.

There is no fee charged by us for the initial training described in the chart below, but you are responsible for all costs incurred by your attendees, such as travel and accommodation (and for their salaries).

All persons working as care givers for your Franchised Business must also obtain all state certifications of the type and level commensurate to their responsibilities and you are responsible for all expenses you may incur in connection with obtaining such certifications.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy of CareDiem	0.5	0	Our offices in Palatine, Illinois, or virtually
Services Provided to CareDiem Franchisees & Franchise Reporting Requirements	0.5	0	Our offices in Palatine, Illinois, or virtually
Pre-Opening Procedures	3	0	Our offices in Palatine, Illinois, or virtually
People Development	2	0	Our offices in Palatine, Illinois, or virtually
Recruiting Caregivers	2	0	Our offices in Palatine, Illinois, or virtually
Marketing and Sales of Supportive Home Care Services	6	4	Our offices in Palatine, Illinois, or virtually

Working With Clients	2	8	Our offices in Palatine, Illinois, or virtually
Daily Operating Procedures	6	8	Our offices in Palatine, Illinois, or virtually
Total	22	20	

We will use various training materials as part of the training, including the Operations Manual. We will organize the initial training program on an as-needed basis so that you and other new franchisees can complete the training before you open your Franchised Business. Training may be conducted just for your team, or may be combined with training for other new franchisees.

The training is led by Grishma Patel. Grishma has been providing training with us since our inception, and before that with our affiliates since March 2013. Before that she was a nurse at senior living communities. Our other trainers typically have at least 10 years of experience with the topics taught.

The initial training must be completed not just by you, but also by your Agency Manager (if any). If the Agency Manager leaves your employment and you hire another Agency Manager, or if you don't initially have an Agency Manager but later hire one, you must train the new manager within 30 days. Depending on how long you have operated your Franchised Business and your experience we may allow you to train the Agency Managers yourself, but we always reserve the right to have the Agency Manager trained by us. There is no fee for training your initial Agency Manager, if they receive training at the same time as you/your owners are trained. If you need to train a manager later we will charge a fee for the training. Currently, the fee is \$3,000, but we may increase the fee to cover our expenses for providing the training.

We do not provide training to your other employees. They are your employees, and you are responsible for ensuring that they learn everything they need to know about the System to effectively perform their duties.

We may, at our option, provide you with additional onsite training if you request it. Currently, the charge for additional training and support is \$500 per day, per trainer, plus their cost of travel and accommodation, though we may adjust the fee during the term of your Franchise Agreement. You may also request additional training at our locations. If we approve it, currently the fee will be \$500 per day, and you will be responsible for the travel, accommodation, meals, and salaries for the persons attending.

We will offer periodic mandatory and optional additional and refresher training programs for you, your Owners, and Operating Principal. Mandatory refresher training for you/your owners and managers is limited to 3 days per year per person. Refresher and additional training may be offered at any location designated by us, and may also be held virtually. We may charge a reasonable fee for attending these training programs, intended to off-set our cost of the programs. You will also be responsible for all costs incurred by your attendees, such as travel and accommodation.

We also have the right to require that you and your Owners attend a national or regional business meeting or annual convention for our franchisees. We may charge a registration fee for

attending. You will also be responsible for all costs incurred by your attendees, such as travel and accommodation.

Item 12

TERRITORY

Territory, Office, and Additional Services in Territory: We will grant you a protected area in which you will operate your Franchised Business (“**Territory**”) and provide in-home care services. The Territory is typically defined by zip codes and will be based upon the estimated population of seniors over the age of 65. The geographic size of the Territory will depend on the density of the population. We aim for each Territory to have a senior population of at least 80,000 persons aged 65 or older at the time you are signing your Franchise Agreement.

You must maintain an office in your Territory out of which you operate the Franchised Business. For the first 12 months after signing your Franchise Agreement the office may be a home office, located in the Territory. After the first 12 months, you must locate a commercial space within the Territory to operate the Franchised Business out of. Any office space you use (including the initial home office) must first be approved by us. You will have to give us at least 60 days’ advanced written notice of the new office space and we will have the right to approve or reject the new office space. The office must be located in the Territory.

The size of the Territory will remain the same throughout the term of your Franchise Agreement if you remain in good standing and meet certain minimum Gross Revenue requirements every year (the “**Minimum Performance Requirement**”). We set the Minimum Performance Requirements from the date that you obtain the required licenses and certifications to provide home-care services (the “**Licensure Date**”). For the first year following the Licensure Date we will communicate minimum performance expectations to you, but we will not enforce them. For the subsequent years of the term the gross revenue Minimum Performance Requirements are:

The Minimum Performance Requirement increases every year during the term:

Year following the Licensure Date	Minimum Gross Revenue
Year 2	\$650,000
Year 3	\$780,000
Year 4	\$936,000
Year 5	\$1,123,000
Year 6	\$1,347,600
Year 7	\$1,617,120
Year 8	\$1,940,544
Year 9	\$2,000,000
Year 10	\$2,000,000

If you don’t achieve the Minimum Performance Requirement in any year, we can terminate your Franchise Agreement. However, in our discretion, we may also give you a probationary period during which you will be given the opportunity to remedy the shortfall in Gross Revenue. The specific conditions that will need to be satisfied during the probation period, as well as the

length of the period, will be determined by us. Factors that may impact whether you are granted a probationary period, how long it will be, and what conditions must be satisfied will depend on several factors, such as how far below the Minimum Performance Requirement you are, and if there are other defaults under the Franchise Agreement.

If your Franchise Agreement is for more than one Territory, the Minimum Performance Requirement stated above applies to each Territory separately. However, to accommodate for the fact that it will take you longer to develop all Territories, we will not apply the Minimum Performance Requirement to all Territories the same. For your first Territory (the “Main Territory”), the Minimum Performance Requirement will apply the way described above. For any additional Territory, the Minimum Performance Requirement will start to apply one year after it started applying to the Main Territory, effectively giving you a one year grace period for the additional Territory.

If we believe you are able to handle an expansion of your Territory we may, in our discretion, offer you the opportunity to expand your Territory by adding additional, contiguous zip codes to the Territory. If you choose to take advantage of this Territory expansion option, you will have to pay us an additional fee. The fee will be based on the estimated number of seniors living in the additional area.

You are supposed to provide services to customers residing in your Territory. However, we also expect you to develop relationships with influencers and referral sources. Those relationships typically don't have clear geographic boundaries, and it is possible that you will get leads to customers outside of your Territory. If the leads are to customers living in the Territory of another franchisee you are required to hand over the lead to that franchisee (except if an existing customer moves outside of your Territory into another franchisee's Territory, in which case, after receiving our written permission, you can continue provide services to the client). If the lead is to a customer living outside of any assigned Territory but in an area adjacent to your Territory, you may service that customer. However, if in any year more than 15% of your gross revenue comes from services provided to customers living outside of your Territory we may require you to purchase territory rights to the additional area that these customers live in. You are granted the right to your Territory with the expectation that you will service the customers in that area. Therefore, if you do not agree to make the additional area part of your Territory we have the right to terminate your Franchise Agreement.

We expect that your general customer base will be seniors in a home setting. Another customer base are seniors living in independent and assisted living facilities (“on-site services”). We consider provision of on-site services to be more complex, and you must first have operated your Franchised Business following licensure for at least 12 months before you can start providing on-site services, and you must receive our approval first. We may set annual revenue minimums, require you to complete additional training (at no charge to us), and participate in our free coaching program for these types of services. Training may include training in cash flow management, bidding and contract negotiation tactics, and services management. The coaching will include review and analysis with you of facility proposals and risk assessment, as well as financial analysis. For the first two years that you provide on-site services, your total revenue from on-site services may not exceed 20% of your total gross revenue. Thereafter, with our approval, on-site services may make up to 30% of your total gross revenue on an annual basis.

Your Rights in the Territory: Even though you will receive a protected territory, there are certain limitations to your Territory rights and your rights are not exclusive. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. We will not open our own CareDiem Home Care locations, or license our affiliates or any other franchisees to operate Franchised Businesses in your Territory. However, we, our affiliates, other franchisees and you may develop relationships with referral sources and influencers without regard to your protected area. Any referral to a potential client within another Franchisee's territory must be forwarded to that franchisee. We will also seek to develop relationships with Key Accounts (described below) in your Territory, and if you do not qualify for providing services to the Key Account customers, or decline to do so, we may offer other franchisees or our company-owned locations the right to service those customers, even though they are in your Territory. Further, both we, and other franchisees have the right to market and advertise in your Territory, just like you have the right to do so outside of the Territory. Also, we and our affiliates may use other channels of distribution (such as wholesale, sales through stores and pharmacies, Internet, catalog sales, telemarketing, and other direct marketing sales) to offer CareDiem Home Care services and products in your Territory, and if we develop another brand of home care services, or another type of business, that brand may operate in your Territory or distribute products or services in your Territory. Neither we, nor our affiliates or other franchisees owe you any compensation for such sales in your Territory, but you also do not owe us or other franchisees any compensation if you service customers outside of your Territory (to the extent permitted). Likewise, if you do not wish to service Key Accounts, or are unable to do so, we may service those accounts ourselves, or assign them to an affiliate or another franchisee to services, even if the account is in your Territory.

Key Accounts: We reserve the right to pursue and identify businesses that operate in several locations across a geographic area or region, including with locations in your Territory. We refer to those businesses as "Key Accounts". Key Accounts may set specific requirements for servicing customers at their locations that are different than those we set. If you meet the requirements for specific Key Accounts operating in your Territory we will offer you the right to service customers of Key Accounts. However, if you do not meet the requirements, or if you decline or do not respond to our offer to service the Key Account, we have the right to assign the customers of the Key Account in your Territory to other franchisees, or company-owned locations. If you accept to service customers of the Key Account you will have to do so on the terms negotiated with the Key Account. We may charge a referral fee for referring the Key Account to you.

Though we currently have no plans to do so, we reserve the right to market, sell, and license others to market and sell, similar products and services to those offered by your Franchised Business in your Territory, as long as they are offered under a different trademark.

Relocation, No Right of First Refusal, and Rights to Additional Territories: Other than the move from the home office that you start operating your Franchised Business in to the professional office we do not expect that you will move offices during the term of your Franchise Agreement. However, if you wish to relocate offices you need to give us 60 days' advance notice in writing and the new office location will be subject to our approval. The office must be inside the Territory. You are not allowed to open any additional locations, including satellite deployment offices, in the Territory without first obtaining our written consent, which we may withhold at our discretion. The franchise agreement doesn't grant you any right of first refusal.

When you first sign the Franchise Agreement you will be granted rights in one Territory. If you later wish to expand your Franchised Business you may request that additional Territories be added and, if you satisfy our then current criteria for the requested Territories we will grant you such rights. You will have to pay an initial franchise fee for the additional Territory, as if you were signing a new Franchise Agreement, but we will grant you a 20% discount off the then current initial franchise fee. We have not yet established the exact criteria for approving additional Territories, but at this time only consider requests after the franchisee has operated the Franchised Business for at least 24 months and is showing on-trend or better performance than the average franchisee, with high customer satisfaction ratings. Some terms for operation of an additional Territory may be different than for the operation of your initial Territory. For example, we may require that you have an office manager to manage the office for the second Territory.

Item 13

TRADEMARKS

We grant you the non-exclusive right to operate the Franchised Business under the following principal trademarks, service marks, names, logos and commercial symbols which we own: CareDiem. Our managing partners, Grishma Patel and Danielle Rajoo have registered the following trademark in the United States Patent and Trademark Office: (“USPTO”):

Mark	Registration Number	Registration Date	Principal or Supplemental Register of USPTO
CareDiem	6690097	April 5, 2022	Principal

You must follow our rules when you use these marks. You cannot use a name or mark as part of your corporate names or with modifying words, designs or symbols, except for those which we license you to use. You cannot use any mark in connection with the performance or sale of any unauthorized services or products or in any manner we have not expressly authorized in writing.

On March 20, 2024 we entered into a Trademark License Agreement with Grishma Patel and Danielle Rajoo permitting us to use, and to license our franchisees to use, the Proprietary Marks. Under the terms of the Trademark License Agreement we have a right for 50 years to use, and to sublicense to our franchisees, the Proprietary Marks. Upon termination or expiration of the Trademark License Agreement franchisees can continue using the Proprietary Marks until the expiration or termination of the then current term of their Franchise Agreements (without any right of renewal or extension). There are no other agreements currently in effect which significantly limit our right to use or license the use of our marks in a manner material to the franchise.

We have filed all required affidavits of Continuing Use and Incontestability. We intend to renew the registrations prior to their expiration.

We claim common law rights to our designs, logos and trade dress items including color schemes and appearance, but there have not been judicial determinations of the existence,

validity, or extent of our rights. We claim and intend to rely on common-law trade secret and unfair competition, and copyright protection of materials and information you are granted the right to use under the Franchise Agreement.

You must follow our rules when you use these marks. You cannot use a name or mark as part of your corporate names or with modifying words, designs or symbols, except for those which we license you to use. You cannot use any mark in connection with the performance or sale of any unauthorized services or products or in any manner we have not expressly authorized in writing.

We intend to take reasonable steps to preserve and protect our ownership of the marks and their validity. We are not obligated to protect any rights granted to you to use the trademarks or to protect you against claims of infringement or unfair competition regarding the trademarks. Nevertheless, it may be in our best interest to do so.

You must notify us immediately when you learn about an infringement of, or challenge to, your use of the trademarks. We will take the action we think is appropriate. You must cooperate fully in prosecuting, defending, or settling any litigation involving the trademarks, including being named as a party in the action at our request. We will undertake the defense of the litigation and will bear the costs of the litigation, except for the costs of any legal counsel separately retained by you. If we require you to modify a trademark that we have previously required you to use, we will pay for your direct expenses associated with the removal of the old trademark and its replacement.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administration of any state, or of any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the principal trademark.

There are no agreements currently in effect which significantly limit our right to use or license the use of our marks in a manner material to the franchise.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications that are material to the franchise.

We claim copyrights in the Operations Manual, advertising material and related items used in operating the franchise. Although we have not filed an application for a copyright registration for those items, we claim a copyright and the information is proprietary. We are not obligated to take any action to protect our copyrighted materials, but will respond to this information as we think appropriate.

The Operations Manual and other materials we provide to you contain our confidential and proprietary information. Certain information about the operation of the Franchised Business including the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is derived from information we disclose to you and all that information is of a proprietary and confidential nature and our trade secret (“**Confidential**

Information”). You (if you are an individual) and each of your Owners (if you are an entity), officers, directors, members, partners, manager, employees and agents must maintain the absolute confidentiality of all Confidential Information both during the term of your Franchise Agreement and after its termination or expiration and may use that Confidential Information only to the extent necessary to operate the Franchised Business. You cannot disclose that Confidential Information for any reason, except to your Owners, officers, directors, members, partners, managers, employees and agents only to the extent necessary for the operation of the Franchised Business. You must sign, and shall cause all persons receiving the Confidential Information to sign, the Confidentiality Agreement attached as **Exhibit J**. You cannot use any Confidential Information in any other business or in any other manner or obtain any benefit from it not specifically approved in writing by us during the term of your Franchise Agreement or afterwards. You may not use our Confidential Information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to others. You must promptly tell us when you learn about unauthorized use of our confidential and proprietary information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are required to participate personally in the direct operation of your Franchised Business and we neither recommend, nor dissuade you from, personal on-site supervision of the Franchised Business. You must not be directly involved in providing care to clients, but you should be generally familiar with health issues and caretaking sufficient to operate the business. For example, you must be able to conduct needs assessments of new clients and you must also be able to hire caregivers.

You must successfully complete our initial training before the Franchised Business opens. If you have an Agency Manager, that person must successfully complete our initial training before the Franchised Business opens, or within 30 days of their hire for any Agency Manager that starts later. The Agency Manager will be required to sign the Confidentiality Agreement. Other than requiring the Agency Manager to successfully complete training and signing the Confidentiality Agreement there are no limits to who you may hire as an Agency Manager. The Agency Manager is not required to have any ownership interest in the Franchised Business at this time. We reserve the right to require at least 10% ownership by an Agency Manager and our pre-approval of them. If you are awarded more than one Territory, we may require you to have an Agency Manager for the additional Territory.

If you are a legal entity, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations including the covenant not to compete. The guarantee is included in the Franchise Agreement.

If your Franchised Business is a legal entity, then you must designate a Principal Owner. The Principal Owner will be our contact person with your Franchised Business. The Principal Owner will have full authority to act on your entity's behalf in regard to performing, administering and amending the Franchise Agreement with us. The Principal Owner doesn't have to be the

majority owner of the Franchised Business and, while we recommend it, is also not required to participate in the initial training.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We have the right to add additional goods or services that you are required to offer. There are no limits on our right to do so.

We require you to offer and sell only those goods and services that we have approved (see Item 8). You must offer all goods and services that we designate as required for all franchisees and that you qualify to provide under the System. All franchisees must provide in-home services, but certain requirements must be met to provide on-site services, including completing required training and participating in coaching. Services to Key Accounts may also have additional requirements that you must meet before offering services to Key Account customers. All services, as well as any products offered or sold, must meet and be consistent with the requirements set forth in the Operations Manual or otherwise set by us.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§3.1	10 years
b. Renewal or extension of the term	§3.2	3 terms of 5 years each
c. Requirements for franchisee to renew or extend	§3.2	You must: notify us within 12 months (but not more than 24 months) before the agreement expires of your request for a successor agreement; not be in default under the agreement; be current on all payments to us, our affiliates, and your suppliers; be in compliance with our training requirements; renovate the

Provision	Section in franchise or other agreement	Summary
		Location to our then-current standards; have the right to remain in possession of the Location or have found substitute premises; be able to maintain all licenses and permits, including a liquor license; sign our then current form of franchise agreement for successor franchisees; pay us a successor agreement fee; and you and your guarantors must sign a general release. Further you may be asked to sign a Franchise Agreement with materially different terms and conditions than your original contract.
d. Termination by franchisee	Not Applicable	Franchisee may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§§14.1.B - D	We can terminate only if you default.
g. Cause defined – curable defaults	§§14.1.D	<p>You generally have 10 days to cure nonpayment of fees and 30 days to cure failure to submit reports, provide information, maintain our standards or any other default not specified in Section 14.</p> <p>If you fail an inspection for any health or safety reason, we have the right to require that you temporarily close all or part of your Location until the dangers to health and safety have been remedied.</p>
h. Cause defined – non-curable defaults	§§14.1.B and 14.1.C	Non-curable defaults: failure to timely begin construction of the Location, timely submit a site application, timely complete construction of the Location, timely open the Location, cease operating or abandon the Location, forfeit the right to do business where the Location is located, conviction of felony, unapproved transfers, improper use or disclosure of confidential information, false reporting or submissions to us, under-reporting Gross Revenues, repeated defaults even if cured, entry of judgment against you which remains

Provision	Section in franchise or other agreement	Summary
		<p>unsatisfied for 30 days, levy against your business or Location, action brought to foreclose lien or mortgage against the Location premises or equipment which is not dismissed in 30 days, or you become insolvent, a receiver is appointed to take possession of your business or Location, you make a general assignment for the benefit of your creditors, you engage in public conduct that reflects materially and unfavorably upon the System, or the goodwill associated with the Marks, or you are in default under any other Franchise Agreement or other agreement with us or our affiliates which is not curable, or, if the default is curable, you have not cured the default within the cure period, or bankruptcy, or you are in default in paying any monies to your landlord or to any supplier under the normal payment terms and conditions of the landlord or the supplier and you do not cure such default and satisfy us that such default is cured within 30 days after receiving notice from us to cure the same.</p>
<p>i. Franchisee's obligations on termination/non-renewal</p>	<p>§15.1</p>	<p>Cease operating the Location; discontinue use of the Marks and advertising; complete de-identification as our Franchisee; transfer telephone numbers and social media accounts to us; deliver all materials and documents for the Location to us; modification and alteration of Location; cease using the System and Manual; remove any sign that has our distinctive shape, color and/or design; allow us, at our option, to purge at your cost all your usable materials bearing the marks, and/or your office equipment, furniture, fixtures; sell movable signs to us at their fair market value, promptly pay all amounts due us including the liquidated damages set forth in Section 15; and maintain and preserve your financial and other records and make them available for our inspection. If we give you notice, sell the assets of the Location to us or our assignee. See State Addenda.</p>
<p>j. Assignment of contract by franchisor</p>	<p>§13.1</p>	<p>No restriction on our right to assign.</p>

Provision	Section in franchise or other agreement	Summary
k. "Transfer" by franchisee – defined	§§1.2.SS and 13	Transfer means voluntary or involuntary direct or indirect assignment, sale, gift or other transfer of your Franchise Agreement or any of your rights or obligations as a Franchisee (your "Franchised Interest"), including (i) the transfer of ownership of your stock, partnership or limited liability company ownership interest; (ii) merger, reorganization, consolidation or issuances of additional securities representing a direct or indirect interest in your Franchised Interest of Location; (iii) sale of more than a 50% interest in your Franchised Interest; (iv) transfer of a Franchised Interest in a divorce, insolvency, corporate partnership dissolution or otherwise; (v) transfer of a Franchised Interest by will, trust or intestate succession; (vi) change in ownership or otherwise; (vii) any change in trustee or beneficial owner of a trust (if the trust is a Franchisee or has more than a 50% interest in the Franchised Interest); or (viii) any pledge, hypothecation or encumbrance of any Franchised Interest as security for an obligation.
l. Franchisor approval of transfer by franchisee	§§13.2	You may not transfer your Agreement, your franchise, or any ownership interest in the franchise, the Location or a substantial portion of the Location's assets, without our consent.
m. Conditions for franchisor approval of transfer	§§ 13.3, 13.4, 13.6, 13.7, 13.8, 13.9, 13.10	For most transfers, we require the transferee to meet our criteria for new franchisees, the transferee owners must sign a guarantee, you must pay a transfer fee, all your monetary obligations must be satisfied, you and your owners must release us from claims and you must agree to continue to be liable for the operation of the Franchised Business before the transfer. If the transfer results in a change of control of the franchisee or the Franchised Business the transferee will have to sign our then current form of franchise agreement for the remainder of the term of your Franchise Agreement, the location will have to be upgraded to meet our then current standards for new Franchised Businesses, and that the transferee and at least one of its owners completes those training programs we require to our satisfaction.

Provision	Section in franchise or other agreement	Summary
		<p>For some transfers we do not require the transferees to submit a new franchisee application, even though the other transfer requirements apply. This is the case if (1) you sign the Franchise Agreement as an individual, and wish to transfer it to a corporation, partnership or limited liability company that you maintain your same ownership interest in, (2) you are a corporation, partnership or limited liability company, you may transfer an aggregate of up to 25% of your outstanding voting ownership interests to your employees who are actively engaged in the operations of the Location, or (3) you wish to transfer ownership by public or private offering. We may withhold the consent in our sole discretion in the case of a public offering, and for a private offering will not unreasonably withhold it.</p> <p>For sales of securities or other interests by public or private offering, we may grant or deny approval based on whatever we deem to be in our best interests.</p> <p>The grant of a security interest in any of the assets of the Franchised Business, including the Franchise Agreement, require our consent. We will require your lender to enter into an agreement with us regulating what will happen in the event of a default under the Franchise Agreement.</p>
n. Franchisor's right of first refusal to acquire franchisee's business	§13.5	Any transfer of ownership, other than from you (if you are an individual) to a corporation, partnership or limited liability company owned by you, is subject to our right of first refusal. A sale of your assets is also subject to our right of first refusal. We have the option for 30 days following our receipt of notice of transfer to exercise our right. We can purchase the ownership interest in Franchisee on the same terms as those offered by you to the third party.
o. Franchisor's option to purchase	§§14.3, 15.1.1	Upon termination for any reason of the Franchise Agreement, we have the option for 30 days following the termination or expiration to

Provision	Section in franchise or other agreement	Summary
franchisee's business		<p>purchase your assets at a price determined by 1 appraiser selected by us (though you may select a second appraiser at your expense, and if their evaluations are more than 10% apart, you will pay for a third appraiser to determine the final price).</p> <p>We also have the rights within 60 days following our receipt of your inventory list following termination or expiration of the Franchise Agreement, to purchase at fair market value, your supplies, FF&E, signage, and other materials bearing the Proprietary Marks.</p>
p. Death or disability of franchisee	§§13.6, 13.7	<p>If you die or become incapacitated (and you are personally the Franchisee or the owner of more than 50% of the Franchisee), your executor or other legally appointed personal representative must appoint, within 30 days, an approved management company to operate the Location. Pending the appointment and subject to legal formalities, we can manage the Location. Your executor or other legally appointed personal representative must also transfer all your interests to a third party within 1 year. With our consent, your estate or legally appointed personal representative may transfer all your interest to your spouse, parent, sibling, direct descendant or spouse's direct descendant.</p>
q. Non-competition covenants during the term of the franchise	§§7.8, 11.12.A	<p>You cannot use the Location premises for any purpose or activity except to operate the Franchised Business and you cannot use it to promote any competing business. During the term of the Franchise Agreement you may not compete with us by being associated with any business providing home care services or that is otherwise similar to a Franchised Business, no matter where located.</p>
r. Non-competition covenants after the franchise is terminated or expires	§11.12. B	<p>For 2 years after any transfer, expiration, or termination of the Franchise Agreement, anywhere in your Territory or the Territory of any other franchisee. The definition of what is a Competing Business is the same as for the in-term covenant not to compete.</p>

Provision	Section in franchise or other agreement	Summary
s. Modification of the agreement	§20.1	No modifications generally unless in writing signed by you and one of our officers. However, our Manual is subject to change at our discretion.
t. Integration/merger clause	§20.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement are not enforceable.
u. Dispute resolution by arbitration or mediation	§19.1	If a dispute cannot be resolved through negotiations between your CEO or president and our management, the dispute will be referred to mediation. The mediation will take place in the county and state where we have our principal place of business, using a mediator agreed upon between us.
v. Choice of forum	§19.3	Subject to applicable state law litigation must be in any state court of general jurisdiction in the county or state, or in the U.S. District Court for the district, in which we have our principal place of business. You will submit to the jurisdiction of those courts. See State Addenda.
w. Choice of law	§20.2	Illinois law applies (subject to applicable state law). See State Addenda.

There are state specific addenda attached as **Exhibits C, E and G** for the states of California, Hawaii, Illinois, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington. The Michigan Addendum is attached following the state cover page.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned 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.

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 Danielle Ranjoo at 1540 E. Dundee Road, Suite 110, Palatine, Illinois 60074, and 847-221-8444, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1

**Systemwide Outlet Summary
For Years 2022 to 2024⁽¹⁾**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	1	+1
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	2	+1

(1) We only started offering franchises as of March 24, 2024.

Table 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024**

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

(1) We only started offering franchises as of March 24, 2024.

Table 3
Status of Franchised Outlets
For Years 2022 to 2024⁽¹⁾

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Illinois	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

(1) We only started offering franchises as of March 24, 2024.

Table 4

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

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Illinois	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table 5

Projected Openings As Of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company – Owned Outlets in the Next Fiscal Year
Illinois	0	2	0
Total	0	2	0

Attached as **Exhibit G** is a list of the names of all franchisees and their addresses and telephone number of all their outlets as of December 31, 2024.

Attached as **Exhibit H** is a list of the name, city and state and current business telephone number or last known home telephone of every franchisee who, in our most recent full fiscal year end; had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily closed to do business under the Franchise Agreement; or has not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

We have not signed any confidentiality agreements in the last 3 years prohibiting franchisees from discussing their personal experiences with the franchise system.

Franchise Advisory Council

There is no trademark-specific franchise organization.

Item 21

FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as **Exhibit I** are our financial statements as of December 31, 2024 and for the period from January 19, 2024 (Inception) and the related statements of operations, changes in members' capital, and cash flow. The franchisor has not been in business for three years or more and cannot include all the financial statements required by the Rule for its last three fiscal years. The franchisor's fiscal year ends on December 31st. If required by state law, unaudited financial statements of a more recent date are also included in **Exhibit I**.

ITEM 22

CONTRACTS

The following agreements are attached to this Franchise Disclosure Document:

- (a) Franchise Agreement - **Exhibit D**
- (b) State specific Amendments to Franchise Agreement for franchisees in Illinois, Maryland, Minnesota, New York, North Dakota and Washington - **Exhibit E**
- (c) Confidentiality Agreement **Exhibit J**
- (d) General Release - **Exhibit K**

ITEM 23

RECEIPTS

The last 2 pages of this Disclosure Document are receipt pages (**Exhibit L**). Please date and sign both copies immediately upon receipt. Detach the last page and return to us promptly upon execution. Retain the other copy of the receipt page for your records.

EXHIBIT A
LIST OF STATE ADMINISTRATORS

State Administrators

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

California

Department of Financial Protection and
Innovation
State of California
320 West 4th Street
Suite 750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2744

Illinois

Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
State of Maryland
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan

Franchise Unit
State of Michigan
Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York

Bureau of Investor Protection and Securities
New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
State of North Dakota
Fifth Floor, Dept. 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
(701) 328-4712

Virginia

State Corporation Commission
Division of Securities & Retail Franchising
Commonwealth of Virginia
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Oregon

Department of Consumer and Business
Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Washington

Department of Financial Institutions
Securities Division
State of Washington
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8738

Rhode Island

Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222-3048

Wisconsin

Division of Securities
Department of Financial Institutions
Wisconsin Commissioner of Securities
P.O. Box 1768
Madison, Wisconsin 53701-1768
(608) 266-8559

South Dakota

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

**AGENTS AUTHORIZED TO
RECEIVE SERVICE OF PROCESS, BY STATE**

California

Commissioner of Financial Protection and
Innovation
Department of Financial Protection and
Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street
Room 204
Honolulu, Hawaii 96813

Illinois

Office of Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana

Secretary of State
State of Indiana
201 State House
200 W. Washington St.
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan

Michigan Department of Commerce
Corporation & Securities Bureau
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York

Secretary of State
State of New York
41 State Street
Albany, NY 12231

North Dakota

Securities Commissioner
State of North Dakota
5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
350 Winter Street, N.E., Room 21
Portland, OR 97310

Rhode Island

Director of Business Regulation
Department of Business Regulation
Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Franchise Administration
Division of Securities
Department of Revenue and Regulation
State of South Dakota
118 West Capitol Avenue
Pierre, SD 57501-2000

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Rd., S.W.
Olympia, WA 98501

Wisconsin

Commissioner of Securities
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, WI 53703

[Add any states where the franchisor is qualified to do business and has a registered agent.]

EXHIBIT C
STATE ADDENDA TO FDD

**MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Addendum pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. For franchises sold in such states, this franchise disclosure document is amended by adding the following section at the end of Item 9:

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE CALIFORNIA FRANCHISE INVESTMENT LAW**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of a franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires application of the laws of Illinois. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of your Franchise Agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Neither the Franchisor nor any person listed in Item 2 of this franchise disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

Section 19.4 of the Franchise Agreement limits the statute of limitations to 1 year from the date the complaining party knew or should have known of facts giving rise to the claim. This provision is void to the extent it is inconsistent with the provisions of Corporations Code 31303- 31304. Corporations Code Section 31512 provides that "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order is void."

OUR WEBSITE IS WWW.MYCAREDIEM.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE HAWAII FRANCHISE INVESTMENT LAW**

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

"Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20."

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the "Act") shall supersede any provisions of the Franchise Agreement which are in conflict with the Act.

3. The provisions of Section 27 of the Act supersede the provisions of Section 19.4 of the Franchise Agreement that set a limitation period of 1 year to the extent that claims are brought under Section 26 of the Act.

4. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

5. Illinois law governs the Franchise Agreement.

6. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

7. Your rights upon Termination and Non-Renewal of an agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

8. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

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

10. In Illinois, it may take 4 to 6 months to obtain a license to operate a homecare business. You will not be able to provide services to clients during the time you wait for the licenses and certifications necessary. However, you will be expected to establish your business,

develop referral sources, and start signing up caregivers. You (or your owner) will also be able to complete the initial training program during this time.

11. When you first start operating your Franchised Business, you can do so out of a home office. However, no later than a year from signing the Franchise Agreement you will have to have a professional space of about 600 square feet to operate out of.

12. For information about covered entities, see: <http://www.hhs.gov/hipaa/forprofessionals/covered-entities/>. The wide scope of health and human welfare laws may have a significant impact on the operations of a franchised business such as this one. While some laws and regulations address pre-opening qualifications, others impose ongoing compliance obligations. And while some laws regulate the operation of the business, others regulate, qualify, license and certify the individuals providing healthcare services and products.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

1. Item 17.c (“Requirements for franchisee to renew or extend”) and Item 17.m (“Conditions for franchisor approval of transfer”) of the Franchise Disclosure Document are amended to provide that “The requirement that you provide a general release of all claims against us in order to renew or transfer your franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

2. Item 17.g (“Cause defined – curable defaults”) of the Franchise Disclosure Document is amended to provide that “Termination upon filing of a bankruptcy petition against you or any shareholder may not be enforceable under federal bankruptcy law.”

3. Item 17.v (“Choice of forum”) in the Franchise Disclosure Document is amended to provide that “Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

4. Nothing in the Franchise Disclosure Document or in the Franchise Agreement, is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.

5. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. Item 17.t (“Integration/merger clause”), summary column, is amended by deleting the last sentence and substituting the following:

“However, nothing in the Franchise Agreement or any related agreement is intended to disclaim, or require you to waive reliance on, any representations we made in the Franchise Disclosure Documents or its exhibits that we furnished to you.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MINNESOTA FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

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

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

2. The following language is added to Item 13 of the Franchise Disclosure Document and Section 11.4 of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

3. Item 17 of the Franchise Disclosure Document and Section 14.1.D of the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.”

4. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

5. Item 17 of the Franchise Disclosure Document is amended to add the following and the following language will appear at the end of Section 19.3.A of any Franchise Agreement issued in the State of Minnesota:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”

6. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the Franchise Disclosure Document and Section 19.3.B of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J.”

7. Item 17 of the Franchise Disclosure Document and Section 19.3.A of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”

8. These states have statutes which limit the franchisor’s ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor’s ability to restrict your activity after the Franchise Agreement has ended.

9. A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

10. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

11. Section 19.4 of the Franchise Agreement is amended by adding the following:

“Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE NEW YORK FRANCHISE LAW**

1. The cover page of the Franchise Disclosure Document is amended to add the following statement:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

“Neither we, our predecessor, nor a person identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. Moreover, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunction or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency.

D. Is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.”

3. Item 4 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

“Neither we, our affiliate, our predecessor nor our officers during the 10 year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.”

4. Item 5 of the Franchise Disclosure Document is amended by adding the following to the subsection entitled “Initial Franchise Fee”:

“The Company will use the Initial Fee to cover its costs associated with fulfilling its obligations under the Franchise Agreement and to cover other overhead costs and expenses.”

5. Item 17 of the Franchise Disclosure Document is amended by deleting the first paragraph and substituting the following:

“THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS. YOU SHOULD READ THESE PROVISIONS IN THESE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.”

6. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (d) entitled “Termination by Franchisee”:

“Franchisee can terminate upon any grounds available by law.”

7. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (w) indicating the choice of law:

“The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the General Business Law of the State of New York.”

8. The following language is added to Item 17 in the Summary section of provision (c), entitled “Requirements for Franchisee to Renew or Extend”, and to Summary section of provision (m), entitled “Conditions for Franchisor Approval of Transfer”:

“However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.”

FRANCHISOR REPRESENTATION

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE LAW

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE RHODE ISLAND FRANCHISE DISCLOSURE ACT**

Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE VIRGINIA RETAIL FRANCHISE ACT**

The following paragraph is added at the end of Item 17:

Virginia has a statute which may supercede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: Virginia [Code 13.1-557 to 574]. Under §13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington

Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise

agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state

franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

EXHIBIT D
FRANCHISEE AGREEMENT, INCLUDING OWNER'S GUARANTY

EXHIBIT D

CAREDIEM FRANCHISING, LLC

**CAREDIEM HOME CARE
FRANCHISE AGREEMENT**

Location # _____

**FRANCHISE AGREEMENT
SUMMARY PAGES**

EFFECTIVE DATE: _____

FRANCHISEE(S): _____

ADDRESS FOR NOTICES: _____

TELEPHONE NUMBER: _____

E-MAIL ADDRESS: _____

SITE SELECTION AREA: _____

FRANCHISE LOCATION: _____

INITIAL FRANCHISE FEE: \$40,000

BRAND DEVELOPMENT FUND CONTRIBUTION: Currently, ____% of Gross Revenue. Amount is subject to change, but not to exceed ____% of Gross Revenue

GRAND OPENING ADVERTISING PROMOTION SPEND: \$_____

ROYALTY FEE: _____% of Gross Revenue

TRANSFER FEE: \$ 1,500 (Between existing owners that does not change majority ownership)

50% of initial franchise fee of then current franchise agreement on Change of Control to another CareDiem Home Health's franchisee.

75% of initial franchise fee of then current franchise agreement on Change of Control to another transferee than a CareDiem Home Health's franchisee.

SCHEDULED EXPIRATION DATE: [On the 10th anniversary from the Effective Date.]

FRANCHISOR'S ADDRESS FOR NOTICE: _____

ATTN: _____

Franchisor Initial

Franchisee Initial

CAREDIEM FRANCHISING, LLC

FRANCHISE AGREEMENT

Table of Contents

	Page
Article 1. Acknowledgments and Representations.....	1
Article 2. Grant of Franchise License.....	5
Article 3. Term.....	9
Article 4. Fees And Royalties.....	10
Article 5. Site Selection, Location Construction and Opening.....	12
Article 6. Duties of Franchisor.....	13
Article 7. General Duties of Franchisee.....	14
Article 8. Quality Control and Supervision.....	22
Article 9. Advertising.....	23
Article 10. Financial Reporting.....	28
Article 11. Proprietary Marks and Trade Secrets; Competition.....	28
Article 12. Insurance and Indemnity.....	34
Article 13. Transfer of Interest or Management.....	36
Article 14. Default and Termination.....	41
Article 15. Obligations Upon Termination.....	44
Article 16. Additional Covenants.....	46
Article 17. Approvals and Waivers.....	47
Article 18. Notices.....	48
Article 19. Dispute Resolution.....	48
Article 20. Entire Agreement/Amendment.....	51
Article 21. Construction and Modification.....	Error! Bookmark not defined.
Article 22. Execution of Agreement.....	52

Exhibits

- A Approved Location
- B Owners of Franchisee
- C Territory Map
- D Territory To Be Determined Addendum
- E Authorization Agreement for Prearranged Payments (Direct Debits)
- F Confidentiality Agreement
- G Covenant Agreement
- H Addendum to Lease
- I State Addenda (if applicable)

**CAREDIEM FRANCHISING, LLC
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) is made and entered into at Palatine, Illinois on _____, 20____ (“**Effective Date**”), by and between CAREDIEM FRANCHISING, LLC, an Illinois limited liability company (hereinafter referred to as “**Franchisor**”), and [FRANCHISEE’S LEGAL NAME], a [Franchisee’s form of entity and state of organization] (hereinafter referred to as “**Franchisee**”), whose principal business address is _____.

Recitals

A. Franchisor as the result of the expenditure of time, skill, effort, and money, has developed and owns a concept and distinctive system relating to the development, establishment, and operation of a business specializing in in-home non-medical care business primarily for seniors utilizing the System and certain Trade Secrets, and which is operated under the Proprietary Marks.

B. Franchisee desires to establish and operate a CareDiem Home Care franchised business (“**Franchised Business**”) under the System and wishes to obtain a franchise license from Franchisor for that purpose.

C. Franchisee recognizes the benefits to be derived from being identified with and franchised to use the System and Franchisee understands and acknowledges the importance of operating the business franchised hereunder in strict conformity with Franchisor’s standards and specifications in order to enhance public acceptance of, and demand for, all Franchised Businesses.

D. Franchisor is relying upon the business skill, financial capacity, and character of Franchisee and its principals, and the guarantee of Franchisee’s obligations by its principals, if applicable, as attached to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the promises contained herein, the parties agree as follows:

Article 1. Defined Terms.

1.1 The definitions applicable throughout this Agreement are set forth below:

A. “**Affiliate**” means with respect to a person (including any legal person), (i) a person (including any legal person) that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person; and (ii) any parent, spouse, lineal descendant or adopted child of such person, any spouse or adopted child of any such descendant or any child of such spouse, the executors, administrators, conservators or personal representatives of any such person or any person referred to in this clause (ii) and any person which, directly or indirectly, is owned or controlled by one or more of the persons referred to in this clause (ii).

B. “**Agreement**” has the meaning set forth in the introductory paragraph hereof.

- 8.1.D. C. **“Alternative Products & Services”** has the meaning set forth in Article 8.1.D.
- D. **“Alternative Suppliers”** has the meaning set forth in Article 8.1.D.
- E. **“Approved Location”** means the street address set forth on **Exhibit A** hereto.
- 8.1.C. F. **“Approved Services & Products”** has the meaning set forth in Article 8.1.C.
- G. **“Approved Suppliers”** has the meaning set forth in Article 8.1.C.
- H. **“Brand Development Fund”** means the Brand Development Fund provided for in Article 9.3.
- I. **“Brand Development Fee”** means the contribution to the Brand Development Fund set forth in Article 4.1.C.
- J. **“Change in Control”** means (i) the acquisition, directly or indirectly, in one transaction or a series of related transactions, by any person or affiliated group of the beneficial ownership of ownership interest in Franchisee representing 50% or more of the equity interest in the Franchisee, (ii) any merger or consolidation of Franchisee other than a merger or consolidation where fifty percent (50%) or more of the total combined voting power of all outstanding ownership interest of the surviving entity or the acquiring entity, as the case may be, shall be received by and/or held immediately after the consummation of such transaction by one or more holders of the outstanding ownership interest of Franchisee, immediately prior to such transaction, (iii) the sale, transfer, license or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of Franchisee to which this Agreement relates, or (iv) any agreement or other arrangement whereby any person or affiliated group other than the holders of the outstanding ownership interest in Franchisee immediately prior to such arrangement obtain control of management or day to day decisions of the Franchised Business.
- K. **“Competing Business”** means any business that in whole or in part provides in-home care or assistance, personal or companion care, companionship, and affiliated services or products, or businesses involved in the contracting, licensing or franchising thereof.
- L. **“Controlling Interest”** means more than 50% of the voting interest in an entity, or such other ownership or voting interest that allows the holder thereof to control significant decisions in such entity.
- M. **“Dispute”** or **“Disputes”** has the meaning set forth in Article 19.1.
- N. **“FF&E”** means fixtures, equipment, furnishings, furniture, telephone system, computer systems, reservation system, signs, supplies and other items used in the operation of the Franchised Business.
- O. **“Franchised Business”** means the CareDiem Home Care business franchised to, developed and operated by Franchisee under this Agreement. **“Franchised Businesses”**

P. **“Franchisee”** has the meaning set forth in the introductory paragraph of this Agreement.

Q. **“Franchised Interests”** has the meaning set forth in Article 13.2.

R. **“Franchisor”** means CAREDIEM FRANCHISING, LLC, an Illinois limited liability company.

S. **“Gross Revenue”** means revenues attributable to or derived from the operation of the Franchised Business, including, but not limited to, from the sale of in home care services, optional add-on and ancillary services and products provided to customers inside or outside of the Territory (whether or not such sales outside of the Territory were permitted under this Agreement), including barter and credit transactions (before commissions and discounts for credit cards), whether or not collected, proceeds from any business interruption insurance or other loss of income insurance applicable to loss of revenues due to the non-availability of caretakers, and proceeds for guaranteed no-show revenue which is collected, but excluding sales taxes, or any other taxes collected by Franchisee from customers for transmittal to appropriate taxing authorities. Adjustments will be made for customer refunds for services paid for, but not provided. Gross Revenue shall be accounted for in accordance with the accounting procedures set forth in the Manual from time to time.

T. **“Incapacitated”** or **“Incapacity”** means, in the reasonable opinion of Franchisor, the inability of Franchisee, or its majority owner if an entity, to operate the Franchised Business in the ordinary course of business for 30 days or more in any consecutive 90-day period.

U. **“Indemnitees”** means collectively Franchisor and its members, shareholders, other equity owners, its affiliated companies, and each of their respective owners, managers, agents, representatives, officers, directors, employees, partners, and other Affiliates.

V. **“Initial Franchise Fee”** means the fee due upon execution and delivery of this Agreement as provided in Article 4.

W. **“IP Owner”** means, collectively, Grishma Patel and Danielle Ranjoo.

X. **“Location”** means the office out of which the CareDiem Home Care Franchised Business is operated by Franchisee under this Agreement.

Y. **“Liquidated Damages”** means the damages to be paid by Franchisee pursuant to Article 15.12 for premature termination of this Agreement.

Z. **“Manual”** means, collectively, the operations manual and other System standards, manuals, and directions (whether in written, machine readable, electronic, or any other form), as they may be modified, amended or supplemented by Franchisor in its sole discretion, setting out the standards, methods, procedures, techniques and specifications of the System.

AA. **“Online Presence”** means the Website, other websites, social media accounts, mobile applications, or other media or online presence (in any form and in any medium now existing or later developed) including any individual franchisee online presence as permitted or required by Franchisor. Franchisor will determine the content and use of its Online Presence including establishing any rules and guidelines under which the Franchisee will participate in such Online Presence, which may be modified by Franchisor from time to time.

BB. **“Operations Data”** has the meaning set forth in Article 10.6.

CC. **“Owner”** or **“Owners”** means any direct or indirect member, shareholder, general or limited partner, trustee, or other equity owner of Franchisee.

DD. **“Payment”** or **“Payments”** has the meaning set forth in Article 4.2.

EE. **“Principal Owner”** means such individual Owner, or the individual who is the authorized representative of an entity Owner, who is identified on **Exhibit B**.

FF. **“Proprietary Marks”** means the name “CareDiem Home Health” and such names and any other trade names, service marks, trademarks, logos, emblems, or other indication of origin as are now or hereafter designated by Franchisor as part of the System.

GG. **“Territor(y/ies)”** means the specific territory or territories franchised to the Franchisee.

HH. **“Royalty Fee”** means the continuing royalty fee set forth in Article 4.1.B.

II. **“Services”** or **“Service”** means any service authorized to be offered and sold through the Franchised Business.

JJ. **“System”** means the method and business practices related to the development and operations of an in home care and companion care services business under the Proprietary Marks including, but not limited to: the Proprietary Marks designated to be part of the System; services, products, and merchandise offered and provided to customers; standards, specifications, programs, techniques, methods and procedures for operations and quality control; training and assistance, including training materials; and advertising, marketing, direct sales, and promotional programs developed by Franchisor for the operation of a CareDiem Home Care Franchised Business under the Proprietary Marks; Trade Secrets and other confidential information; trade dress; inventory techniques, standard operating and administrative procedures; and other methods, procedures, standards, specifications and other requirements as stated or referred to in this Agreement and from time to time in Franchisor’s Manual, or otherwise in writing by us and designated as part of standards for the System. Franchisor may add, change, modify, withdraw, or otherwise revise any element of the System in its sole discretion.

KK. **“Systems Operations Data”** has the meaning set forth in Article 10.6.

LL. **“Trade Secrets”** means confidential information, including, without limitation, (i) proprietary services and products, formulas, client and supplier lists, product specifications, (ii) System standards, methods, procedures, and specifications, and methods of service and operations for Franchised Businesses, (iii) knowledge of sales and profit performance at any one or more Franchised Businesses, (iv) knowledge of test programs, concepts, or results relating to operating, new advertising and promotional programs, (v) sources of suppliers of services, products, and equipment, (vi) advertising, promotion, and marketing techniques, (vii) methods and information regarding the selection and training of managers and other employees for Franchised Businesses; and (viii) the Manual.

MM. **“Transfer by Franchisee”** means the voluntary, involuntary, direct or indirect assignment, sale, gift, or other transfer of any Franchised Interest, including, without limitation, the following events: (i) the transfer of ownership of the stock or partnership or limited

liability company ownership interest of Franchisee; (ii) any merger, reorganization, consolidation, or issuance of additional securities representing a direct or indirect ownership interest in Franchisee or the Location; (iii) any sale of a Controlling Interest in Franchisee in a single transaction or a related series of transactions; (iv) transfer of a Franchised Interest by declaration, division, or otherwise in a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (v) transfer of a Franchised Interest in the event of Franchisee's death or the death of one of its owners with a Controlling Interest, by will, declaration of or transfer in trust, or under the laws of intestate succession; (vi) any change in ownership or control of any or all of the Franchised Interest by sale, gift, assignment, or otherwise; (vii) if Franchisee or any owner with a Controlling Interest is a trust, any change in the trustees or the beneficial owners of the trust; or (viii) a pledge, hypothecation, or encumbrance of any Franchised Interest intended as security for an obligation.

NN. **"Website"** means the Franchisor home pages and any other internet and web pages or sites established by Franchisor, including any individual franchisee webpages on such Website permitted or required by Franchisor, and any Online Presence established by Franchisor or its Affiliates for the sale of Services and Products.

Article 2. Grant of Franchise License.

2.1 **Grant.** Subject to the terms and conditions of this Agreement, and to the continuous compliance by Franchisee with the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee the nonexclusive right, and Franchisee undertakes the obligation, to operate a CareDiem Home Care Franchised Business in the Territory in accordance with Franchisor's standards and specifications, including the operational standards procedures and techniques as prescribed in the Manual, and to use the System (as it may be changed, improved, and further developed by Franchisor) and the Proprietary Marks in connection therewith. For one year following the Licensure Date, the Franchised Business may only service customers in independent living, and not in independent and assisted living facilities operated by third parties. After the first anniversary of the Licensure Date, Franchisee may, subject to meeting Franchisor's then-current standards, requirements, and criteria, and Franchisor's express, written approval, also provide services to customers at independent and assisted living facilities ("**On-Site Facilities**").

2.2 Approved Location and Vehicle.

A. Franchisee shall operate the Franchised Business from, and only from, the Approved Location specified on **Exhibit A**. If, as of the Effective Date the Approved Location is a home office, the Franchisor's approval to operate the Franchised Business from such Approved Location will expire on the first anniversary of the Effective Date. At least sixty (60) days before the first anniversary of the Effective Date Franchisee shall submit a request for relocation of its offices to a professional, commercial space that meets Franchisor's then current requirements. Franchisor will have (60) days to review the application and approve or reject it. If the application is rejected, Franchisee may submit an alternative location for Franchisor's review and consideration. Once approved, **Exhibit A** will be updated to list the new location and thereafter, the "Approved Location" will only mean such new location. Franchisee agrees that Franchisor and Franchisor's owners and the subsidiaries and Affiliates, and owners of Franchisor, are not restricted from using the System or engaging in or licensing any business activity including Franchised Businesses or other in-home care and companion care services at any other location, except as otherwise set forth in Article 2.

B. Franchisee must use a vehicle for the Franchised Business that meets the System requirements (each, a “**Vehicle**”). Until the first anniversary date of the Effective Date, Franchisee may use a personal vehicle that is in good condition. From the first anniversary date of the Effective Date and throughout the rest of the Term, Franchisee must use a Vehicle that complies with Franchisor’s then current Vehicle standards, as set forth in the Manual from time to time. Such standards will include requirements regarding a vehicle wrap displaying the Proprietary Marks, and may include requirements for vehicle marks, make, age, and general condition, as well as regarding the display on the Vehicle of System signage.

2.3 Territory Provisions

A. **Territory.** During the Term, Franchisor will not, without Franchisee’s consent, and provided Franchisee is in full compliance with the terms and conditions of this Agreement, operate itself or through an Affiliate or grant a license or franchise to, or otherwise authorize, any other person or entity to establish a Location using the System within Franchisee’s Territory as set forth in **Exhibit C**, attached hereto. If Franchisee is not in compliance with the terms and conditions of this Agreement, Franchisor shall be free to operate, directly or indirectly, or to authorize or license another person or entity to operate additional Locations within the Territory.

B. **Franchised Business Management From Location and Satellite Deployment Locations.** Franchisee may only operate the Franchised Business: (a) from the Location; and (b) such satellite deployment locations as are approved in advance writing by Franchisor in its sole discretion.

2.4 **Franchisor’s Reserved Rights.** Except as otherwise expressly provided in this Agreement, Franchisor and all of its Affiliates (and its and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of its and their rights with respect to the Proprietary Marks and the System anywhere in the world, and the right to engage in any business whatsoever, including the right to:

- A. service itself, through Affiliates, of other franchisees Key Account customers that Franchisee is not qualified to service, that Franchisee has declined to service, or that Franchisee is no longer qualified to service due to any default under Franchisee’s agreement with the Key Account;
- B. operate, and grant to others the right to operate Franchised Businesses outside the Territory at such locations and on such terms and conditions as Franchisor deems appropriate;
- C. develop, merchandise, offer, sell, and license others to sell services or products under the Proprietary Marks through other channels and methods of distribution including wholesale, retail stores, grocery stores, online, print catalogues, direct marketing media and any other outlets, and promote and sell products bearing the Proprietary Marks at special events, contests, through temporary locations and mobile units; and
- D. go public; engage in a private placement of all or some of its securities; acquire equity or any assets, be acquired by or have any or all of its assets (including the Proprietary Marks) acquired by, merge with, affiliate with, or engage in any transaction with other businesses (whether competitive or

not), located anywhere or business conducted anywhere. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions.

- E. undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

2.5 **No Claims for Changes.** With regard to any of the above transactions identified in Section 2.4, Franchisee and its Owners expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof), the System and/or the loss of being identified as a franchisee under this Agreement. If Franchisor assigns its rights in this Agreement, nothing will be deemed to require Franchisor to remain in the in-home care and non-medical personal and companion care services or to offer or sell any services or products to Franchisee.

2.6 **Relocation.** Franchisee may relocate the Franchised Business only with Franchisor's prior written consent. Franchisee must give Franchisor at least sixty (60) days' advance written notice of its request to relocate. Franchisor may approve or reject the request in its reasonable discretion, provided that Franchisor will not be required to approve the request if Franchisee is in default under this Agreement or any other agreement between Franchisee and Franchisor. The selection of the new Location is subject to the same provisions of this Agreement as the site selection of Franchisee's prior location in a commercial, professional space. Franchisee is solely responsible for all relocation costs and expenses.

2.7 **Key Accounts.** During the Term, Franchisor may market to, and pursue operators of multiple independent and assisted living facilities in one or more geographic regions ("**Key Account**") for the purpose of entering into agreements with Key Accounts for provision of services to residents of one or more of the Key Account independent and assisted living facilities (each, a "**Key Account Agreement**"). Key Accounts may operate facilities in several territories assigned to different franchisees, including Franchisee. Franchisors may negotiate Key Account Agreements for provision of services to residents of one or more of the Key Account facilities. Key Account Agreements may set terms regarding the care provider's experience, service pricing, types of service to be provided, and other terms that are different from what is required under the System. If Franchisor enters into a Key Account Agreement with a Key Account for one or more facilities operated in the Territory, then Franchisor will first offer Franchisee the right to service customers at such facility. Franchisee will be required to agree to the terms of the Key Account Agreement applicable to the provision of services at the Key Account facility, which terms may include, for example, maximum price levels, performance standards and reporting, insurance requirements and an obligation to indemnify the Key Account and other parties. Franchisee may also be required to enter into a separate agreement with the Key Account. For the provision of the lead to Key Account customers, Franchisee will pay Franchisor a Key Account Referral Fee. Franchisor will provide Franchisee with notice of the opportunity to service Key Account customers in the Territory. If Franchisee declines the offer in writing, or fails to respond timely in such time as is set forth in the notice, Franchisor will have the right to offer other franchisees the opportunity to service customers at the Key Account facility in the Territory, or to provide such services itself or through its Affiliates. Likewise, if Franchisee is in default of the terms of its agreement with the Key Account, Franchisor may, on a temporary or permanent basis, grant another franchisee the right to service Key Account customers in the Territory, or provide such services itself or through its Affiliates.

2.8 Minimum Performance Requirements. Each year during the Term following the Licensure Date, Franchisee is required to maintain Gross Revenue minimums for the Franchised Business (“**Minimum Performance Requirement**”). For the first year following the Licensure Date, the Minimum Performance Requirement will be set by Franchisor, but will only be intended as guidance to Franchisee, and Franchisee’s failure to meet the Minimum Performance Requirement will not be a default under this Agreement. The Minimum Performance Requirement for the subsequent years during the Term will be as follows:

Year following the Licensure Date	Minimum Gross Revenue
Year 2	\$650,000
Year 3	\$780,000
Year 4	\$936,000
Year 5	\$1,123,000
Year 6	\$1,347,600
Year 7	\$1,617,120
Year 8	\$1,940,544
Year 9	\$2,000,000
Year 10	\$2,000,000

Failure to meet the Minimum Performance Requirements for any year of the Term (except for the first year following the Licensure Date), will constitute a default under this Agreement. Notwithstanding the foregoing, before Franchisor may exercise any rights under Article 14 of this Agreement, Franchisor may, in its discretion, provide Franchisee the opportunity to rectify the Gross Revenue shortfall during a probation period. The specific conditions that will need to be satisfied during the probation period, as well as the length of the period will be determined by Franchisor, taking into consideration the degree of the Gross Revenue shortfall, other potential defaults under this Agreement, and such other factors as the Franchisor may determine.

If this Agreement is for multiple Territories, the Minimum Performance Requirements in the above need to be satisfied in each of the Territories. Furthermore, Franchisee and Franchisor shall identify one of the Territories as the “Main Territory.” For the Main Territory, the enforcement of Minimum Performance Requirements will apply as described above. For any additional Territory covered by this Agreement, the Minimum Performance Requirements will not be enforced against Franchisee until two years after the Licensure Date.

The Minimum Performance Requirements shall not be construed as a promise or guarantee by Franchisor that Franchisee may achieve those amounts of Gross Revenue. The performance of the Franchised Business is dependent on many factors, including, the amount of effort Franchisee and its Owners put in to the operation of the Franchised Business, the competition from other in-home care providers in Franchisee’s Territory, the availability of qualified caregivers, and general economic conditions in the market place.

2.9 Leads Outside the Territory. Any leads for customers residing in another franchisee’s Territory must be referred to such franchisee without compensation to Franchisee. However, if a customer of Franchisee residing in Franchisee’s Territory moves outside of the Territory and in to the territory of another franchisee, Franchisee may continue providing services to such customer, provided that Franchisee first obtains Franchisor’s written consent thereto. Franchisee may follow-up on, and provide services to customers outside of the Territory that do not reside in the Territory of another franchisee, so long as services to customers living outside

of the Territory does not negatively impact the Franchisee's ability to provide services to customers in the Territory in a timely manner, consistent with System standards and requirements. If, during any year of the Term, Franchisee's Gross Revenue from customers living outside the Territory exceed fifteen percent (15%) of Franchisee's total Gross Revenue for such year, Franchisor may require Franchisee to agree to expand the Territory to include such zip codes in which the majority, or a significant percentage of Franchisee's customers outside of the Territory live. Franchisee will pay Franchisor's then current fee for increasing the size of the Territory (the "**Territory Increase Fee**"). The Territory Increase Fee will be determined on the basis of the estimated number of persons 65 years of age or older living in the zip codes added to the Territory. Failure by Franchisee to agree to an expansion of the Territory will be a default under this Agreement.

2.10 **Maximum Services to On-Site Facility Customers.**

Because the focus of the Franchised Business is intended to be seniors living independently, and not in On-Site Facilities, Franchisee's provision of services to customers at On-Site Facilities is required to be limited. During the first two years during the Term that Franchisee is permitted to provide services to customers at On-Site Facilities, Franchisee's Gross Revenue from services to customers at On-Site Facilities may not exceed twenty percent (20%) of Franchisee's Gross Revenue in each such year. In the third year during the Term that Franchisee is permitted to provide services to customers at On-Site Facilities, and in any subsequent year during the Term, Franchisee's Gross Revenue from services to customers at On-Site Facilities may not exceed thirty percent (30%) of Franchisee's Gross Revenue in each such year.

Article 3. Term

3.1 **Initial Term.** Unless sooner terminated or modified as hereinafter provided, the term of this Agreement shall be 10 years from the Effective Date (the "**Term**") and this Agreement will expire without notice on such date.

3.2 **Successor Agreement.** Franchisee may be granted successor franchise rights for three (3) consecutive five-year terms if, at the end of each term, each of the following conditions has been satisfied:

A. Franchisee has notified Franchisor of its intent to renew the franchise at least twelve (12) months (but no more than twenty-four (24) months) before the then-current term expires;

B. Franchisee is not in default of any material provision of this Agreement or any successor franchise agreement (as applicable), and Franchisee has complied with the material terms and conditions of this Agreement or any successor franchise agreement (as applicable) throughout the term;

C. Franchisee is in compliance with Franchisor's then-current training requirements;

D. all amounts owed to Franchisor and its Affiliates and third party suppliers have been paid;

E. the Location, the Office, Vehicles, and other aspects of the Franchised Business, have been renovated and refurbished so that it reflects Franchisor's then-current image, trade dress, and equipment standards;

F. Franchisee the right to remain in possession of the Location premises, or has secured substitute premises that Franchisor has approved;

G. Franchisee executes Franchisor's then current form of franchise agreement for successor franchises;

H. Franchisee pays a successor agreement fee of equal to the then current successor agreement fee; and

I. Franchisee and each person who has guaranteed Franchisee's obligations under this Agreement signs a general release in a form Franchisor prescribes.

3.3 Hold-Over. If Franchisee continues to operate the Franchised Business with Franchisor's express or implied consent following the expiration of the Term, the continuation will be deemed to be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while Franchisee continues to operate the Franchised Business and the term "Term" shall include such hold-over period. This Agreement will then be terminable by either party on 30 days' written notice to the other party, or such longer notice period as required by applicable law. For the avoidance of doubt, this provision does not apply in the case of Franchisee's continued operation of the Franchised Business after the Agreement has been terminated, or operation without Franchisor's consent.

Article 4. Fees and Royalties.

4.1 In consideration of the rights and license granted herein, Franchisee shall pay to Franchisor each of the following:

A. **Initial Fee and Initial Training Fee.** Upon the execution and delivery of this Agreement by Franchisee, Franchisee shall pay an Initial Franchise Fee of **[\$40,000][Adjust if more than one Territory is being granted]** and an Initial Training Fee of \$5,000. The Initial Training Fee covers the training of Franchisee's principal owners and Franchisee's initial agency manager. Franchisee acknowledges and agrees that such Initial Franchise Fee and Initial Training Fee has been fully earned and is nonrefundable in consideration of expenses incurred, rights granted, services rendered, and other valuable consideration, the receipt and sufficiency of which is acknowledged by Franchisee.

B. **Royalty Fee.** A continuing Royalty Fee of 5% of Franchisee's Gross Revenue beginning on the date when all required licensures and certifications is received ("**Licensure Date**"). During the second year of this Agreement following the Licensure Date, that the Royalty Fee will be the greater of 5% of Franchisee's Gross Revenue and \$2,000 per month. During the third year of this Agreement following the Licensure Date and for the remainder of the Term, the Royalty Fee will be the greater of 5% of Franchisee's Gross Revenue and \$3,000 per month.

C. **Brand Development Fee.** A Brand Development Fee contribution to the Brand Development Fund of up to 3.0% of Franchisee's Gross Revenue ("**Brand Development Fee**") beginning as of the Licensure Date. As of the Effective Date, the Brand Development Fee

depends on Franchisee's annual Gross Revenue and its year of operation of the Franchised Business. Calculated on a calendar year basis, for Gross Revenue up to \$1,000,000, the Brand Development Fee is the greater of 2% of Franchisee's Gross Revenue or the monthly minimum payment, which is: in the first year of operation of the Franchised Business: \$500 per month; in the second year of operation of the Franchised Business: \$700 per month; and for any year thereafter: \$1,000 per month. For Gross Revenue of \$1,000,000 or more, the Brand Development Fee is 1% of Gross Revenue. By way of example, if Franchisee's Gross Revenue in a calendar year is \$1,500,000, Franchisee will pay a Brand Development Fee of 2% on the portion of the Gross Revenue up to \$1,000,000, and a Brand Development Fee of 1% on the portion of Gross Revenue that is \$1,000,000 and above.

D. **Technology Fee.** A Technology Fee to develop, adapt, implement, administer, maintain and otherwise offset Franchisor's expenses for providing certain software and other technology to Franchisee, which technology may include security, computer, and technology systems, products, and services, whether such systems, products, or services are provided by Franchisor, its Affiliate, or any third party (the "**Technology Fee**"). As of the Effective Date, the monthly Technology Fund Fee is \$500, but the Technology Fee may change during the Term, as the specific software and other technology product and services included, and the Franchisor's expenses for providing the same, may change. The Technology Fee may include an amount to cover Franchisor's administrative expenses for providing the software and other technology services and products to Franchisee.

E. **Key Account Fee.** A Key Account Fee for providing referrals to the Key Account customers in the Territory, which fee will be specified from time to time in the Manual.

F. **Customer Lead and Other Fees.** Such fees intended to off-set Franchisor's expenses, that Franchisor may set for providing Franchisee with customer leads, and other fees that are set forth in other sections of this Agreement, or otherwise imposed. Such fees shall be due as set forth in Section 4.2 of this Agreement, unless different payment terms are expressly stated for such fees at the time they are imposed or thereafter.

G. **Insufficient Funds Fee.** If there are insufficient funds in Franchisee's account for Franchisor to collect in full any amounts due under this Agreement when such amounts become due, Franchisee will pay Franchisor an insufficient funds fee of \$100.

H. **Periodic Increase of Fixed Fees.** Notwithstanding anything to the contrary herein, any fee in this Agreement that is set forth as a fixed dollar amount may be adjusted by Franchisor by up to 10% annually to adjust for inflation, the scope of services provided in exchange for the fee, and other cost increases. The annual increase is cumulative, and if Franchisor does not increase a fee in any year, or does not increase it by the full 10%, Franchisor may increase the fee in a subsequent year by up to 10% plus any percentage increase permitted in a prior year that was not exercised. By way of example, if a monthly fee is \$10 in year 1, and remains at \$10 in year 2, then in year 3 Franchisor may increase the fee to \$12.10. For the avoidance of doubt, any increase permitted by this Section does not impact any fees expressed as a percentage, but where fees are expressed as a percentage or a fixed dollar amount, the dollar amount that is part of such fee may be adjusted according to this Section.

4.2 **Payment of Fees and Late Fees.** Unless payments terms to the contrary are expressly stated in this Agreement or otherwise, all payments required by Article 4, and all

other payments due to Franchisor on a continuing basis (“**Payments**”), shall be due to Franchisor by the third (3rd) day after the end of the calendar month in which such Gross Revenue were received by Franchisee, provided that, Franchisor may, upon notice to Franchisee, collect such payments more frequently than monthly. If any payment due Franchisor under this Agreement is overdue, Franchisee shall pay to Franchisor immediately upon demand the overdue amount together with a late charge on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. All Payments shall be made by wire transfer, electronic funds transfer, or such other payment method as Franchisor may indicate from time to time. In its sole discretion, Franchisor may collect Payments required by Article 4 by direct debit withdrawal by Franchisor from a designated bank account of Franchisee or by using such other payment technology as is or may become available during the Term. Franchisee will cooperate with Franchisor to set up payment through such methods and channels as may be determined by Franchisor from time to time. Franchisee acknowledges that nothing contained in this Article 4 shall constitute an agreement by Franchisor to accept such payments after the same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee’s operation of, the Location. Franchisee acknowledges that Franchisee’s failure to pay all such amounts when due shall constitute grounds for termination of this Agreement, as provided in Article 14 of this Agreement, notwithstanding the provisions of this Article. The entitlement to such late charge shall be in addition to any other remedies Franchisor may have.

Article 5. Franchised Business Opening.

5.1 **Office Location.** Franchisee must only operate the Franchised Business out of an office location in the Territory approved in writing by Franchisor (the “**Office**”). The Office must exclusively be used for operation of the Franchised Business. For the first 12 months from the Effective Date the Office may be located in Franchisee’s or its Owner’s home office, provided that the residence is located in the Territory. Thereafter, the Office must be located in a commercial office space within the Territory, which may not be in a residence. Any Office location used by Franchisee must be approved in writing by Franchisor before its use. Franchisee must submit an application and such information as Franchisor may require at least 30 days starting to use any Office. Franchisee may not start using the Office until Franchisor has unconditionally approved the proposed location in writing. Franchisor has 30 days after all required information is received from Franchisee to approve or disapprove any proposed location. Franchisor may approve or disapprove any location in its sole discretion. Franchisee is solely responsible for purchasing or leasing suitable office space. Franchisee assumes all costs, liability, expense and responsibility for the location of the Office. Franchisee acknowledges that Franchisor’s consent to the location of the Office for the Franchised Business does not constitute a representation, promise, warranty, or guaranty, express or implied, by Franchisor that the Franchised Business operated at the approved location will be profitable or otherwise successful.

5.2 **Equipping the Office.** Franchisee shall furnish, equip and decorate the Office in compliance with System standards. Franchisee shall be responsible for any construction and remodeling necessary to meet System standards for the Office.

5.3 **Office Signage.** Franchisee agrees to acquire and use signage on the exterior and interior of the Office as necessary to identify the Office as a Franchised Business pursuant to System standards. At all times will the Office be identified as being operated and independently owned by Franchisee.

5.4 **Franchised Business Opening.** Franchisee agrees to open the Franchised Business for operation within ninety (90) days of the Effective Date. If Franchisee

must obtain a license or certification in order to operate the Franchised Business in the state where the Franchised Business will be operated, and if Franchise uses its best efforts to obtain such license or certification, then Franchisor agrees to extend the time for opening the Franchised Business as necessary to obtain the necessary licensure and certifications. Before opening the Franchised Business, Franchisee complete all pre-opening requirements including:

A. Franchisee has obtained all required licensure and certifications required to operate the Franchised Business in the state in which it is located.

B. Franchisee's owners and agency manager for the Franchised Business shall have completed to Franchisor's satisfaction a training program approved or conducted by Franchisor, and Franchisee shall have employed qualified personnel sufficient to operate the Franchised Business.

C. Franchisee shall have paid all sums due Franchisor and its affiliated companies.

D. Franchisee is not in default under this Agreement, or any existing Franchise Agreement or other agreement with Franchisor or any of its Affiliates.

Franchisee may not open the Franchised Business until the above requirements have been satisfied to Franchisor's satisfaction. The System will be applied to all Franchised Businesses, although Franchisor in its business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions.

5.5 Opening Marketing Plan. No later than thirty (30) days prior to the expected opening of the Franchised Business, Franchisee shall submit to Franchisor, for its prior approval, Franchisee's direct sales and marketing plan if requested to do so by Franchisor. Franchisee must spend at least \$3,000, and up to \$8,000 on client-focused marketing activities during the months between starting operations and receiving licensure.

5.6 Development Expenses. Franchisee acknowledges and understands that Franchisee shall bear the entire cost of the development and opening of the Franchised Business, including the Office, including, without limitation, all costs applicable to licensure, permits, professional services, financing, equipment, furnishings, and supplies.

Article 6. Duties of Franchisor.

6.1 In addition to the other obligations and duties set forth in this Agreement, Franchisor agrees as follows:

A. **Providing Site Selection Criteria.** Franchisor shall provide general guidelines for identifying an acceptable site for the Location. Franchisee acknowledges and agrees that Franchisor providing its guidelines will not create any reliance or expectation damages or liability for Franchisor, and such activities will not create any expectation or representation to Franchisee that any proposed site will be accepted by Franchisor.

B. **Consultation.** Upon reasonable request, Franchisor shall consult with and advise Franchisee at Franchisor's home office, or by means of remote communication (including telephone, email, and virtual meetings), concerning the opening and operation of the Franchised Business.

C. **Access to Manual.** Franchisor shall provide Franchisee access to the Manual in a format determined by Franchisor, such as via the intranet, loan 1 hard copy of the Manual, or in any such other way as Franchisor determines to be most appropriate, for the term of the Agreement setting forth standards of operation for the System and standards of quality, cleanliness, and service for the Franchised Business. Franchisor shall have the right to add to and otherwise modify the Manual to reflect changes in the business, authorized services or products (or specifications therefor), Business Assets requirements, quality standards, and operating procedures of the Franchised Business as determined by Franchisor. Such additions or modifications may be made through various communications by Franchisor, including policy statements, memoranda, bulletins, directives, instructions, intranet, electronic communications, or other material prepared by or on behalf of Franchisor. The Manual and any additions or modifications may be provided in printed, machine readable, electronic, or any other form chosen by Franchisor.

D. **Training.** Franchisor shall make available to Franchisee, its owners, and its management-level employees such required and optional training courses, programs, conferences, seminars, and materials, as Franchisor deems appropriate. All training shall be conducted at such physical or virtual locations and at such times as Franchisor may designate and shall be subject to the terms and conditions set forth in this Agreement.

E. **Inspections.** Franchisor shall endeavor to maintain high standards of quality, cleanliness, and service for the System, and to that end shall conduct inspections of the Franchised Businesses, evaluations of the services rendered therein, and interviews of employees, agents, and customers of Franchised Businesses, all as Franchisor deems advisable and appropriate.

F. **Customer Satisfaction Surveys.** Franchisor has the right, for a fee, to conduct customer satisfaction surveys and otherwise solicit customer feedback from Franchisee's customer from time to time in order to help determine compliance with the terms of this Agreement and the performance of the Franchised Business.

6.2 **Obligations to Franchisee Only.** All of the obligations of Franchisor under this Agreement are to Franchisee only, and no other party is entitled to rely on, enforce, or obtain relief for breach of such obligations either directly or by subrogation.

6.3 **Delegation.** Franchisee acknowledges and agrees that Franchisor has the right to delegate the performance of any portion or all of its obligations under this Agreement to third parties, and exercise any of its rights under this Agreement through third parties, whether those third-parties are Franchisor's agents or independent contractors with whom Franchisor has contracted to perform these obligations, as the Franchisor may direct. If Franchisor does so, such third parties will be obligated to perform all functions for Franchisee in compliance with this Agreement and/or a separate signed agreement between Franchisee and such third-party as approved by Franchisor.

Article 7. General Duties of Franchisee.

In addition to the other obligations and duties set forth in this Agreement, Franchisee agrees as follows:

7.1 **Adherence to System Requirements.** Franchisee expressly acknowledges that adherence to each and every provision of the System is reasonable,

necessary, and essential to maintain the uniform image and favorable reputation of each Franchised Business and the System and the success of Franchisor's franchise program, and not to control the day-to-day operation of the Franchised Business. Franchisee also acknowledges that the System is likely to develop and change during the Term due to changes in the market, customer preferences, available technology, the growth and development of the franchise system, and for other reasons. Accordingly, Franchisee expressly agrees to comply with each and every requirement of the System during the term hereof, as the same may be modified or supplemented by Franchisor in its sole discretion. Such modifications and supplementations may relate to, without limitation, changes in the business, authorized services and products, FF&E requirements, new or different mandatory or optional programs and services made part of the System, quality standards, operating procedures, compliance with any requirements for computer systems or technology programs, and to pay any fees or charges associated with any such System modifications or supplementations and any other changes reflected in the Manual. Franchisee at all times remains responsible for the operation of the Franchised Business and all activities occurring in the Franchised Business, including, but not limited to the hiring, training, discipline, and staffing of the Franchised Business.

7.2 Licensure. Franchisee covenants and agrees to commence, and diligently pursue to completion all licenses and certifications required to enable Franchisee to perform all services permitted and required to be performed as part of the Franchised Business as soon as possible. The date such licenses and certifications are obtained is referred to herein as the "**Licensure Date.**" If no licenses or certifications are required in the Approved Location, the Licensure Date will be the Effective Date. Franchisee shall ensure that anyone performing services on Franchisee's behalf, for the Franchised Business, or in the name of the Franchised Business also has the required licenses and certifications to provide such services for as long as the services are being provided by such person. Throughout the Term, Licensee shall maintain any and all licenses and certifications required under applicable law to operate the Franchised Business.

7.3 Initial Training. Franchisee, or if Franchisee is an entity, at least one of its principal owners, shall complete the new franchisee training prior to opening of the Franchised Business. Franchisee shall employ or retain qualified management personnel as prescribed in the Manual. All personnel employed or retained by Franchisee in the position of agency manager shall attend and successfully complete, to Franchisor's satisfaction, Franchisor's training program. The initial agency manager shall complete their agency manager certification training prior to opening of the Franchised Business. Any subsequent agency manager, or, the initial agency manager, no agency manager was initially hired by Franchisee, shall sign up for training within fourteen (14) days of employment and complete their agency manager certification training within thirty (30) days of employment. The 30-day period may be extended if space in the training program is not available to Franchisee's personnel during the specified periods. Initial training will be free of charge, except for the initial training for any agency manager hired after the principal owners have completed their initial training. The fee for the agency manager training, as of the Effective Date, is \$3,000, provided that Franchisor may adjust such fee during the Term. Notwithstanding Franchisor's assistance in training Franchisee's employees, Franchisee is exclusively responsible for the terms of employment, compensation, scheduling, benefits, disciplining and all other personnel decisions respecting Location employees without any influence or advice from Franchisor.

7.4 Franchisee Meetings. Franchisee, or if Franchisee is an entity, one or more of Franchisee's principal owners, shall attend Franchisor's annual (or biannual as

Franchisor may determine) franchisee conference and pay the non-refundable conference registration fee as the same may be designated by Franchisor. Currently, the fee is \$500 per attendee, provided that Franchisor reserves the right to adjust the fee during the Term. Franchisee will be responsible for all costs and expenses for its attendees participating in the conference.

7.5 Ongoing Training and Assistance. Franchisor may periodically make available other required or optional training courses to Franchisee's owners and Franchisee's personnel, as well as other programs, conferences, seminars, and materials, and Franchisee shall ensure that such personnel, as Franchisor may direct, satisfactorily complete any required training within the time specified. Franchisor may also offer Franchisee optional additional support and assistance in the operation of the Franchised Business. Franchisee's owners and Franchisee's agency manager may each be required to participate in up to three (3) days of required training in each calendar year. All training shall be provided at such locations as Franchisor may designate and Franchisee shall be responsible for Franchisee's owners and Franchisee's employees' travel expenses and room, board, and wages during the training. Franchisee will be charged reasonable tuition for training of Franchisee's owners and Franchisee's personnel and such tuition shall be payable per the terms of the invoice therefor. Franchisee will also be charged a reasonable fee for any additional support and assistance requested by Franchisee. As of the Effective Date, Franchisor charges \$500 per day and trainer for ongoing training and additional support and assistance, plus travel and accommodation expenses for such trainer, provided that the Franchisor reserves the right to adjust such fees throughout the Term. Franchisor reserves the right to require, as a condition of providing training, that personnel employed or retained by Franchisee execute confidentiality agreements prepared by Franchisor. Franchisor reserves the right to limit the availability of any optional training programs.

7.6 Quality of Service. Franchisee shall provide efficient, courteous, and high-quality service to the public and shall operate the Location pursuant to the mandatory terms and provisions outlined in the Manual except as otherwise permitted by Franchisor in writing. Franchisee shall cause the Location to honor all credit cards specified by Franchisor and enter into such credit card arrangements with the issuers of such cards as may be necessary to do so. Franchisee must keep the Location clean and provide prompt and courteous service to customers. Franchisee agrees to, and will take all steps as are necessary to, ensure that all its employees treat each customer fairly and provide services in an honest, ethical and non-discriminatory manner.

7.7 Staffing. Franchisee will maintain a competent, conscientious and trained staff. Franchisee will be solely responsible for all employment decisions and functions of the Franchised Business, including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision and discipline of employees. All personnel employed by Franchisee shall maintain such standards of sanitation and cleanliness as set forth in the Manual or specified in writing by Franchisor from time to time. None of Franchisee's employees will be considered to be Franchisor's employees and Franchisee will never contend otherwise. Franchisee expressly agrees, and will never contend otherwise, that Franchisor does not have the direct or indirect power to hire, fire or control any of Franchisee's employees. Neither Franchisee nor any of its employees whose compensation Franchisee pays may in anyway, directly or indirectly, expressly or by implication, be construed to be Franchisor's employees for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisee expressly agrees, and will never contend otherwise,

that Franchisor's authority under this Agreement does not directly or indirectly vest in us the power to hire, fire or control any of Franchisee's employees.

7.8 Use of Location. Franchisee shall use the Location premises solely for the operation of the Franchised Business and shall not use or allow the use of the premises for any other purpose or activity (including, without limitation, the promotion of any competing business) at any time without the prior written consent of Franchisor, which may be granted or withheld in Franchisor's sole discretion. Franchisee shall not sacrifice Gross Revenue to further any other business activity.

7.9 Location Maintenance. The Location and everything located on the Location premises shall be maintained by Franchisee in a clean, safe, orderly, and first-class condition in accordance with the standards specified in the Manual, and consistent with the image of a clean, sanitary, attractive, and efficiently operated in-home care and non-medical personal and companion care services. The Location shall be constructed, maintained, and operated in compliance with all applicable fire, safety, health, and sanitation laws, ordinances, and regulations, and Franchisee shall maintain the highest health standards and ratings applicable to the Location and otherwise maintain high moral and ethical standards at the Location.

7.10 Upkeep and Maintenance. Franchisee shall perform such maintenance of the Location, vehicles, and other aspects of the Franchised Business as is required by Franchisor to maintain the condition, appearance, and efficient operation of the Location, the vehicles, and otherwise of the FF&E, computer systems, software, signage, and other assets used in the operation of the Franchised Business (collectively, the "**Business Assets**"). Such maintenance and upkeep includes, without limitation, (a) continuous and thorough cleaning and sanitation of the Business Assets, (b) repair of the Business Assets, (c) maintenance of equipment and vehicles that are part of the Business Assets at peak performance, and (d) replacement of worn out or obsolete improvements, fixtures, furnishings, equipment, computer systems, software, and signs with approved improvements, FF&E, and signs and other Business Assets. At Franchisor's request, Franchisee shall upgrade the Business Assets within the time specified by Franchisor at Franchisee's expense to conform the decor appearance of Business Assets to display Proprietary Marks and trade dress consistent with Franchisor's then-current public image, including, without limitation, remodeling, and redecoration and such modifications to existing improvements as may be deemed necessary by Franchisor, as long as those same upgrading requirements apply to a majority of Franchised Businesses operated by franchisees or by Franchisor or its Affiliates, or are necessary to bring the Business Assets into compliance with requirements already adopted or being adopted by a majority of System franchisees. Except as described above, Franchisee shall make no additions, alterations, or replacements to the Business Assets or to any location or anything used in connection with the Business Assets without the prior written consent of Franchisor.

7.11 Compliance with Law. Franchisee shall, at Franchisee's expense, comply with all federal, state, and local laws, rules, ordinances, and regulations, and shall timely obtain, and keep in force as required throughout the Term, any and all permits, certificates, licenses, and approvals necessary for the full and proper conduct of the Franchised Business.

7.12 Notification of Legal Action. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, arising out of, concerning, or which may affect the operation or

financial condition of the Franchised Business, including, without limitation, any criminal action or proceeding brought by Franchisee against employees, customers, or other persons.

7.13 Computer Systems. Franchisee shall purchase, use and maintain such computer hardware and software as required in the Manual from time to time, including such point of sales system, including all related hardware and software, (“**POS System**”) as is specified in the Manual or otherwise by Franchisor in writing for use in connection with the Franchised Business. The POS System must be connected to the internet at all times (or other communications medium specified by Franchisor) for the purpose of implementing software, transmitting and receiving data, accessing the internet for customer bookings and maintaining the POS System. Franchisor may require Franchisee to upgrade its computer system, including the POS System hardware and/or software from time to time upon written notice. Franchisee shall accept debit cards, credit cards, no contact payment options, such as mobile payment, and other non-cash systems existing or developed in the future to enable customers to purchase authorized services or products via such procedure, as specified by Franchisor, and shall obtain all necessary hardware and/or software used in connection with these systems. Franchisee must maintain, repair, upgrade and updated the computer system, including the POS System as Franchisor may require from time to time.

7.14 Client Management System. Franchisor may make available to Franchised Businesses a Client Management System. If required by Licensor, Franchisee shall install, maintain, and use the automated Client Management System as developed and promulgated (in the Manual or otherwise in writing) by Franchisor. Franchisee shall either reimburse Franchisor for Franchisee’s equitable pro rata share of Franchisor’s cost of developing and maintaining such software, including, without limitation, enhancements, additions, substitutions, or other modifications provided to the System by Franchisor, purchase such system, or pay such fee as Franchisor may decide to charge for use of such client management or related system. Without regard to the actual capabilities of any Client Management System or other computer hardware or software that Franchisee installs and that Franchisor has access to directly or indirectly, Franchisor does not have the right to use such technology or tools to direct or assert control over Franchisee’s employees’ working conditions, except to the extent the control relates to Franchisor’s legitimate interest in protecting the quality of the CareDiem Home Care System (brand) or the services or products offered by the Franchised Business.

7.15 Privacy and Data Protection. Franchisee must: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information Franchisee controls) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual, including without limitation names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in any way, including, but not limited to, national data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules (“**Privacy Laws**”); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) implement all administrative, physical and technical safeguards necessary to protect any Personal Information; (iv) refrain from any action or inaction that could cause Franchisor to breach any Privacy Laws; (v) do and execute, or arrange to be done and

executed, each act, document and thing Franchisor deems necessary in Franchisor's business judgment to keep Franchisee in compliance with the Privacy Laws; and (vi) immediately report to Franchisor the theft or loss of Personal Information (other than the Personal Information of Franchisee's own officers, directors, owners, employees or service providers). Without limiting the foregoing, Franchisee must comply with the Payment Card Industry Data Security Standard (commonly known as "PCI Compliance" or "PCI-DSS"), and any successor thereto. It is entirely Franchisee's responsibility (even if Franchisor provides Franchisee any assistance or guidance in that regard) to confirm that the safeguards Franchisee uses to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information.

7.16 Access to Data. Franchisor will be given direct, administrative access to the Client Management Systems software used by Franchisee for the purpose of determining compliance with this Agreement and to allow for audits and inspections of Franchisee's financial statements, reports and all other data pertaining to the Franchised Business, whether maintained by Franchisee or by third parties.

7.17 Use of Client Data. Franchisee acknowledges and agrees that, in addition to the rights granted Franchisor under Article 10.6 hereof, Franchisor may use the names of clients of the Franchised Business for any purpose permitted by law, and agrees that Franchisor may have access to Franchisee's sales and customer data base for that purpose.

7.18 Website and Online Presence. Franchisor has established internet a Website that provide information about the System and that facilitates reservations for all System Locations. Franchisor will have sole discretion and control over the Website and any other Online Presence (including timing, design, contents and continuation). Franchisor may use part of the Marketing Fees collected under Article 4.1.C to pay or reimburse the costs associated with the development, maintenance and update of its Online Presence and Websites. At Franchisee's expense, Franchisor will include a link to the Franchised Business specific pages from its Website. Franchisor shall have the only CareDiem Home Care Website. Franchisee may not have any individual website other than those accessed and linked through Franchisor's primary Website. Franchisor may require Franchisee to prepare all or a portion of such individual pages, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's prior written approval prior to posting. Except for this interior page, Franchisee may not maintain any Online Presence or other website in connection with Franchisee's ownership or operation of the Location. Franchisor may, however, in its sole discretion, require Franchisee to participate in its Online Presence in Franchisee's individual capacity by preparing and maintaining all or a portion of a profile or account for the Franchisee, at Franchisee's expense. If the Franchisee is permitted or required to have an individual Online Presence, Franchisee must provide Franchisor with administrator-level access credentials, usernames, passwords, tokens and all other information and items required for complete access to, and control over, any online presence or social networking activities. Franchisor reserves the right to develop additional profiles or accounts in its Online Presence on websites designated for social networking, social media sites, or on websites otherwise commonly used by in-home care or companion care providers, or by the franchise industry in general. All of Franchisee's Online Presence must at all times comply with any social media policy established by Franchisor. If Franchisee fails to comply with the requirements set for Online Presence, Franchisor, or its designees may use the access credentials to access Franchisee's accounts and resources to correct them to comply with Franchisor's requirements, without being guilty of trespass,

conversion, infringement, or any similar tort. Franchisee will pay Franchisor, upon demand, all charges Franchisor incurs by taking such corrective action.

7.19 Inappropriate Online Presence or Content. Franchisor reserves the right to require Franchisee to remove any content in its individual Online Presence, including videos, advertising or other material or content posted that Franchisor, in its sole discretion, deems inappropriate. Franchisor reserves the right to develop additional profiles or accounts in its Online Presence on websites designated for social networking, social media sites, or on websites otherwise commonly used by in-home care or companion care providers, or by the franchise industry in general. Franchisor may, in its sole discretion, require Franchisee to participate in its Online Presence in Franchisee's individual capacity by preparing and maintaining all or a portion of a profile or account for the Franchisee, at Franchisee's expense.

7.20 Intranet. Franchisor is developing an Intranet network through which confidential brand standards and other materials may be posted and where Franchisor and its Franchisees can communicate by e-mail, instant messaging, or similar electronic means. Franchisee agrees to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that Franchisor includes in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

7.21 Additional Administrative Services. If Franchisee requests, Franchisor or its Affiliates may provide additional administrative services to Franchisee, including, but not limited to: assistance with closings of financing transactions or other transactions relating to the Franchised Business, negotiations of agreements with Franchisee's lenders or prospective lenders, lender's counsel, Franchisee's counsel, any other Franchisee representative, or third party; conducting research related to the Franchised Business and its operation; preparation of documents, instruments or agreements; and other project-based tasks. If any of these administrative services are provided, Franchisee agrees to pay to Franchisor a reasonable fee, as determined by Franchisor, for such services and to reimburse Franchisor and its Affiliates for any costs (including attorney's fees) incurred in connection with the provision of such services.

7.22 Payment of Taxes. Franchisee shall pay when due all taxes levied or assessed in connection with the possession, ownership, or operation of the Franchised Business and all taxes payable on royalties and other payments made to Franchisor or to any of the affiliated companies (excluding income taxes payable by Franchisor or any of its affiliated companies). In the event of any bona fide dispute respecting any tax assessed against Franchisee, the Franchised Business, any personal property located therein, or any payments due to Franchisor or any of its Affiliates, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority; provided, however, that Franchisee shall act with all due diligence and shall in no event permit a tax sale or seizure against the Franchised Business or any equipment, goods, or property located therein, or any impoundment of payments due to Franchisor. Franchisee must pay to Franchisor the amount of any state or local sales, use, gross receipts, or similar tax that Franchisor may be required to pay on payments which Franchisee make to Franchisor under this Agreement, regardless of whether the state or local tax is imposed directly on Franchisor, is required to be withheld by Franchisee from amounts due to Franchisor under this Agreement, or is otherwise required to be collected by Franchisee from Franchisor. Franchisee's obligations under this Section shall not be reduced or offset by any type of claim, credit or deduction of any kind. This provision does not apply to income taxes or comparable taxes measured by income to which Franchisor may be subject.

7.23 **Timely Payments.** Franchisee recognizes that Franchisee's failure or repeated delays in making prompt payment in accordance with the terms of any agreements, leases, invoices, or statements for purchase or lease of FF&E, inventories, supplies, or other goods and services will be detrimental to the reputation of Franchisee, Franchisor, and other System Franchisees. Franchisee shall timely pay when due all amounts owed by Franchisee in connection with the operation of the Franchised Business. In its sole discretion, Franchisor may collect all payments and amounts due or payable under this Article 7 by direct debit withdrawal from a bank account designated by Franchisee.

7.24 **Reimbursement.** Franchisee shall reimburse Franchisor for all costs and expenses (including attorneys' fees), incurred by Franchisor in connection with any legal action (including actions for injunctive relief, arbitration and mediation) in which Franchisee, its Affiliates, or their respective owners, directors, officers or managers is a named party, including but not limited to, reimbursement for costs and expenses incurred in connection with Franchisor's counsel entering an appearance, responding to discovery requests in such matters, and preparation by Franchisor and its counsel therefor.

7.25 **Co-branding.** Franchisor may determine from time to time to incorporate in the System programs, services or products which Franchisor either develops or otherwise obtains rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which Franchisee's Franchised Business, along with other businesses, will be required to offer and sell. This activity, referred to as "co-branding", may involve changes to the Proprietary Marks and may require Franchisee to make modifications to fixtures, equipment, signs, and trade dress at the Franchised Business. Franchisee agrees to promptly implement such programs at the Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so.

7.26 **Authority of Franchisee Representatives.** If Franchisee is at any time a corporation, limited liability company, partnership or other business entity, Franchisee agrees and represents that:

A. Franchisee has the authority to execute and deliver this Agreement and to perform its obligations thereunder and is duly organized or formed and validly existing in good standing under the laws of the state of its formation or organization.

B. Franchisee's organizational documents, operating agreement, or partnership agreement will at all times state that the issuance and transfer of the ownership interests of Franchisee are restricted by the terms and conditions of this Agreement, and all certificates and other documents representing an ownership interest in Franchisee will bear a legend referring to the restrictions of this Agreement in form and language satisfactory to Franchisor.

C. **Exhibit B** to this Agreement will at all times completely and accurately describe all of the owners of Franchisee and their beneficial ownership interests in Franchisee.

D. **Exhibit B** will at all times accurately set forth the Principal Owner of the Franchisee who Franchisee agrees is principally responsible for communicating and coordinating with Franchisor on Franchisee's behalf, including regarding business, operational, and other ongoing matters concerning the Franchised Business. The Principal Owner has full authority to act on Franchisee's behalf in regard to performing, administering, and amending this Agreement.

E. Franchisee and its owners will sign and deliver to Franchisor such revised **Exhibit B** as may be necessary to reflect any permitted changes in the information contained therein within five (5) days following the occurrence thereof and to furnish such other information about Franchisee's organization or formation as Franchisor may request.

F. Franchisee shall furnish Franchisor with its articles or certificate of incorporation, bylaws, and partnership or limited liability documentation or similar organization documents, and any other documents Franchisor may reasonably request, and any amendments thereto or restatements thereof.

Article 8. Quality Control and Supervision.

8.1 **System Conformity.** Franchisee agrees that substantial uniformity of quality of all Franchised Businesses is necessary and desirable for purposes of establishing and protecting the shared identity, reputation, and goodwill associated with the System and the Proprietary Marks. In order to better accomplish these objectives, Franchisee agrees that:

A. The Franchised Business shall be operated in strict conformity with such mandatory (as opposed to best practices and suggestions) standards, specifications, methods, and techniques as Franchisor may prescribe in the Manual, as updated, supplemented and modified. Franchisee further acknowledges that establishing, maintaining, and protecting the goodwill, reputation, and uniformity of the System requires strict adherence to this Agreement and the Manual in all respects, it being agreed that every detail is significant and material. Franchisee shall refrain from deviating from the mandatory standards, specifications, methods and techniques set forth in the Manual and from otherwise operating in any manner which adversely reflects on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's rights therein. Franchisee is responsible for the day-to-day operation of the Franchised Business. While Franchisor intends to impose the System, and any changes and modifications thereto generally uniformly among all Franchised Businesses, complete and detailed uniformity under many varying conditions may not be possible or practical, and Franchisor specifically reserve the right and privilege, in its sole discretion and as it may deem to be in the best interests of the System in any specific instance, to vary standards for any particular franchisee or region based upon the peculiarities of a particular territory, density of population, business potential, business practice, or other condition important to the successful operation of a particular Franchised Business. Franchisor may grant variations from standard specifications and practices as Franchisor determines in its discretion, and Franchisor will have no obligation to grant Franchisee or any other franchisee like or similar variations and Franchisor's failure to require a change from any particular franchisee will not affect Franchisee's obligations under this paragraph.

B. Franchisee shall, at Franchisee's expense, purchase or lease, install and use for the Franchised Business all FF&E, software systems, including point of sale systems, and other systems and technology programs specified by Franchisor. Without regard to the actual capabilities of any Client Management System or other computer hardware or software that Franchisee installs and that Franchisor has access to directly or indirectly, Franchisor does not have the right to use such technology or tools to direct or assert control over Franchisee's employees' working conditions, except to the extent the control relates to Franchisor's legitimate interest in protecting the quality of the CareDiem Home Care System (brand) or the services or products offered at the Franchised Business. Franchisee shall refrain from installing and using in the Franchised Business technology, tools, or any other items or services not previously approved by Franchisor.

C. Franchisee is required to purchase products, services, supplies, FF&E items, and materials required for the development and operation of the Franchised Business, pursuant to specifications set forth in the Manual (“**Approved Services & Products**”). In some cases, Franchisee may be required to buy only specific Approved Services & Products. Franchisor may designate manufacturers, suppliers or distributors who meet Franchisor’s specifications or subject to Franchisor’s specifications (“**Approved Suppliers**”) and if such Approved Suppliers have been designated as the only source for any Approved Services & Products, Franchisee agrees to only purchase such Approved Services & Products from the Approved Suppliers. In some cases, Franchisor or Franchisor’s affiliates may be the only Approved Supplier. Specification of a supplier may be conditioned on various requirements, including, but not limited to, those relating to quality and consistency of products, and services, frequency of delivery, standards of services, prompt attention to complaints, payments, contributions, or other consideration paid to Franchisor, Franchisor’s Affiliates or the Brand Development Fund, and may be temporary. Franchisor may, from time to time withhold, condition and/or revoke Franchisor’s approval of particular items or suppliers in Franchisor’s reasonable discretion, and Franchisor’s approvals may be temporary. Franchisor or Franchisor’s Affiliates may receive marketing allowances, rebates, commissions, and other benefits from suppliers in relation to items purchased by Franchisee and other franchisees. Such marketing allowances, rebates, commissions, and other benefits are based on System-wide purchases. Franchisee assigns to Franchisor or its designee all right, title and interest in any such marketing allowances, rebates, commissions, and other benefits and authorizes Franchisor or its designee to collect and retain any such allowances without restriction (unless otherwise instructed by the supplier), provided that Franchisor’s current policy is to utilize such funds for purposes Franchisor believes may enhance the System and public awareness of the System. Franchisee acknowledges that any such marketing allowances, rebates, commissions, and other benefits are received by Franchisor in exchange of its services. Franchisor has the right to condition or revoke Franchisee’s right to participate in any supplier programs if Franchisee are in default under this Agreement.

D. Franchisee may propose alternative manufacturers, suppliers or distributors (“**Alternative Suppliers**”) of Approved Services & Products, as well as alternative products, services, supplies, materials and FF&E items to Approved Services & Products (“**Alternative Products & Services**”). If Franchisee would like to use Alternative Suppliers, or Alternative Products & Services, Franchisee must first request in writing that Franchisor approve the alternate. Franchisee must submit whatever information, specifications, or samples Franchisor requires and must pay to Franchisor a fee of \$500 per product or service when the request is submitted. If the costs of Franchisor for the review and testing of the Alternative Products & Services, or reviewing the Alternative Supplier exceed \$500, then Franchisee must reimburse Franchisor for such additional cost per the terms of invoice therefor. Franchisor reserves the right to approve or disapprove proposed Alternative Products & Services or Alternative Supplier, as the case may be, in its sole discretion. Franchisor will notify Franchisee within a reasonable time of its approval or rejection of the Alternate Products & Services or Alternative Supplier, not to exceed ninety (90) days. Franchisor may revoke an approval previously given at any time in its discretion, upon notice to the Franchisee. Notice will be given in a manner that Franchisor deems appropriate. Franchisor may require Franchisee’s proposed Alternative Supplier to sign a confidentiality agreement acceptable to Franchisor, and Franchisor may require that samples of or from the proposed Alternative Products & Services (or of Approved Services & Products requested to be purchased from an Alternative Supplier) be delivered to Franchisor for testing prior to approval and use. Further, all proposed Alternative Suppliers must agree to permit Franchisor’s agents or representatives to inspect their facilities regularly, both

initially and from time to time as may reasonably be required by us to assure Franchisor of the proper production, processing, packaging, storing and transportation of the products, services, supplies or FF&E items and materials to be purchased by Franchisee, and with respect to Alternative Products & Services, that they comply with Franchisor's standards and requirements. The foregoing will not be construed as an attempt to unreasonably limit the sources from which Franchisee may procure products, services, supplies and materials. Rather, it is Franchisor's intention that such items conform to Franchisor's strict standards and strict specifications as to consistent quality, uniformity and reliability. Further, Franchisor will not be required to approve an inordinate number of Alternative Suppliers of a given item which in Franchisor's reasonable judgment would prevent Franchisor's effective supervision of suppliers. Notwithstanding the foregoing, Franchisor may designate certain Approved Services & Products as proprietary, and not permit Alternative Suppliers, or Alternative Products & Services for such items. Noting in this Section requires Franchisors to disclose any Trade Secrets to any third party.

E. FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, FIXTURES FURNITURE AND EQUIPMENT ITEMS, SUPPLIES OR OTHER ITEMS FRANCHISOR APPROVES AND FRANCHISOR EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

8.2 **Maintenance of Manual.** Franchisee shall at all times ensure that Franchisee's copy of the Manual is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Franchisee shall maintain the Manual in a safe and secure location (including with appropriate password protection, if the Manual is kept electronically) and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor.

8.3 **Inspections.** Franchisee hereby grants to Franchisor and its agents the right to enter upon the premises of the Franchised Business, including the Office, at any reasonable time for the purpose of conducting inspections. Likewise, Franchisee grants Franchisee the right to follow along Franchisee's care givers on customer visits for inspection purposes. Franchisee shall cooperate fully with Franchisor's agents during the inspections, and take such steps as may be reasonably necessary to correct any deficiencies detected during such an inspection, upon the written request of Franchisor or its agents, within such reasonable time as may be specified therein. Franchisee shall provide all information requested by Franchisor for the purpose of Franchisor's conducting customer satisfaction audits and surveys, If Franchisor determines that any part of the operations of the Franchised Business presents a threat to customers or public health and safety, Franchisor may take whatever measures it deems necessary, including requiring Franchisee to immediately close the Franchised Business until the situation is remedied to Franchisor's satisfaction. Franchisor will charge Franchisee for the actual expense of the audit, which expenses may include the hiring of a third party to perform the audit ("**Quality Audit Fee**"). Franchisee shall pay such Quality Audit Fee within fifteen (15) days of receipt of an invoice therefor. Franchisor may, in its sole discretion, collect any payments or amounts due or payable under this Article by direct debit withdrawal from a bank account designated by Franchisee.

8.4 **Health Inspection Reports and Failure of Inspections.** Franchisee shall promptly provide Franchisor with a copy of any health or safety inspection performed of the

Franchised Business. If Franchisee fails an inspection for any health or safety reason that Franchisor, in its discretion, deems to constitute a danger to the health or safety of the public, or employees at the Franchised Business, Franchisee shall, immediately upon Franchisor's request, take such action as required by Franchisor, including closing all or part of the Location, until the dangerous conditions have been remedied to Franchisor's satisfaction. Nothing in this Section 8.4 shall limit or restrict Franchisor's rights under Article 14, or any other Article of this Agreement.

8.5 Franchisee Inventions. If Franchisee or its affiliates, owners, or employees, develop any products, services, procedures, or inventions, or improvements on products, services, or procedures already part of the System, and whether or not protectable intellectual property ("**Inventions**"), such Inventions must be promptly disclosed to Franchisor, and if deemed by Franchisor to be appropriate for use in the Franchised Business and other Franchised Businesses, such Inventions will be deemed to be Franchisor's sole and exclusive property, part of the System and works made-for-hire for Franchisor. To the extent any such Invention does not qualify as work-made-for hire, it must be assigned to Franchisor. Franchisee agrees to take, or direct its affiliates, owners, or employees, to take all necessary steps and action such assignment may require.

8.6 Integrity in Promotion and Business. All marketing and promotion by Franchisee shall be factual, ethical, and in good taste in the judgment of Franchisor and shall be subject to Franchisor's approval as provided in Article 9.1 of this Agreement. Franchisee shall in all dealings with its customers, suppliers, Franchisor, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which, in the subjective opinion of Franchisor, may be injurious to the business of Franchisor and the goodwill associated with the Proprietary Marks and other Franchised Businesses.

8.7 Notification of Agency Reports. Immediately upon receipt by Franchisee of any report from any health department or other comparable agency, Franchisee shall send a complete copy of such report to Franchisor by email or overnight courier service. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Franchised Business or of any notice of violation of any law, ordinance, or regulation relating to health or sanitation.

8.8 Service Pricing and Discounts. Franchisor and Franchisee recognize the value of pricing and marketing programs that facilitate the marketing of the System, the good will, reputation, and uniformity of the System and consumer acceptance and recognition of Franchised Businesses. Franchisee and Franchisor agree that, in order to better accomplish these objectives, Franchisor may from time to time in its sole judgment (a) suggest that service prices shall start at levels no higher than those determined by Franchisor and (b) otherwise suggest rates and prices to the extent permitted by applicable law. Unless expressly permitted by Franchisor in prior writing, Franchisee will not offer coupons, discounts, gift cards, gift certificates, loyalty programs, or similar promotions.

Article 9. Advertising.

Franchisee and Franchisor recognize the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System. In order to better accomplish these objectives, the parties agree as follows:

9.1 Conformance with System Standards. All advertising, marketing, and sales materials used by Franchisee in any medium shall be conducted in such manner, and shall conform to such standards and requirements, as Franchisor may specify from time to time. Franchisee must submit to Franchisor for its prior written approval samples of all advertising, marketing, and sales plans and materials and all other materials displaying the Proprietary Marks that Franchisee desires to use which have not been prepared or previously approved by Franchisor; provided, however, that no such deemed approval shall relieve Franchisee from complying with the requirements of Article 8.7 of this Agreement.

9.2 Grand Opening Advertising. One month before the projected Licensure Date of the Franchised Business Franchisee will start conducting its Grand Opening advertising campaign. The Grand Opening campaign must be consistent with the Grand Opening advertising requirements set forth in the Manual. Upon request, Franchisee must submit its grand opening marketing plan to Franchisor for review and approval. As part of the Grand Opening advertising campaign, Franchisor will assist Franchisee with the opening digital marketing of the Franchised Business and will add the Franchised Business to the Website. Franchisee will reimburse Franchisor for its assistance and pay Franchisor up to three thousand dollars (\$3,000) for the services provided. Franchisor will not be required to start providing such services until Franchisee has obtained all required licensure and certifications for the operation of the Franchised Business.

9.3 Local Advertising Requirement. Throughout the Term, Franchisee shall spend at least one percent (1%) of its Gross Revenue monthly, or if higher, \$1,000 monthly, on such local marketing and advertising in the Territory. Franchisor may from time specify in the Manual the types of expenses that will be counted towards the required minimum spend. Upon not less than thirty (30) days' notice, Franchisor may increase the local advertising requirement to up to three percent (3%) of Franchisee's Gross Revenue. Notwithstanding the foregoing, if Franchisee contributes funds towards an Advertising Cooperative, such funds actually contributed to the Advertising Cooperative will off-set the local advertising expenditures required by this Section for the same time period as for which the Advertising Cooperative contributions were made.

9.4 Brand Development Fund. Franchisor has established a Brand Development Fund ("**Brand Development Fund**"). The Brand Development Fund will be administered by the Franchisor, provided that Franchisor may, in its sole discretion, consult with the Advisory Franchisee Council on matters relating to the Brand Development Fund. The Brand Development Fund may be used to meet any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use within the System, including, without limitation, costs associated with developing, preparing, directing, administering, maintaining, and disseminating advertising, marketing, promotional, and public relations materials; conducting marketing research and new product and services development; point-of-sale advertising, sales aids; maintaining a national sales and marketing staff and related expenses or hiring outside agencies; development, maintenance and updates to the Online Presence; joint promotional programs for all Franchisor's brands; charitable, educational, or industry promoting activities; preparing, producing, broadcasting, and disseminating advertising and promotions, including, without limitation, radio, television, newspaper, magazine and Internet advertising, market surveys, public relations

activities, employment of advertising agencies, and management of the Brand Development Fund. Franchisor shall choose and determine the nature, theme, and timing of advertising and the kind and quality of advertising materials to be provided to franchisees through the Brand Development Fund. All payments, plus income earned therefrom, shall be used exclusively for the above-stated purposes, shall be maintained in an account separate from Franchisor funds, and shall not be used to defray any of Franchisor's general operating expenses, except for reasonable salaries, administrative costs (including collections), travel expenses, overhead, and similar expenses Franchisor may incur in activities related to the administration of the Brand Development Fund and all costs of development and preparing national, regional, point of sale, and local advertising materials for use within the System. Franchisor shall, for each of its company-owned Franchised Businesses, make contributions to the Brand Development Fund at the same percentage of Gross Revenue required of Franchisees within the System. Franchisor, or its designee, shall direct all advertising, marketing, and direct sales promotional programs and activities, with sole discretion over the concepts, materials, and media used in such programs and activities and the placement and allocation thereof. Franchisee acknowledges that the intent of the Brand Development Fund shall be to maximize general public recognition, direct sales programs, and acceptance of the Proprietary Marks for the benefit of the System, and Franchisor shall have no obligation in administering the Brand Development Fund, to make expenditures for Franchisee which are equivalent or proportionate to any payments by Franchisee, or to ensure that any particular Franchisee Franchised Business or any particular franchised territory benefits directly or pro rata from advertising or promotion conducted under the Brand Development Fund. The Brand Development Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Brand Development Fund; provided, however, that Franchisor will make a good faith effort to expend such fees in a manner that Franchisor determines is in the general best interests of the System. In any fiscal year Franchisor may spend more or less than the aggregate contribution to the Brand Development Fund in such fiscal year. Franchisor has the right to advance monies to the Brand Development Fund and subsequently obtain reimbursement of such advances out of Brand Development Fees collected. Except as expressly provided in this Section 9.4 Franchisor does not assume any direct or indirect liability to Franchisee with respect to the maintenance, direction, or administration of the Brand Development Fund.

A. **Advisory Franchisee Committee.** Franchisor has the right, in its discretion, to establish, maintain, and dissolve, an advisory committee for the purposes of obtaining franchisee input on advertising and marketing, and such other matters that Franchisor may refer to the committee for input from time to time (the "**Advisory Franchisee Committee**"). Franchisor will prepare the bylaws and other rules for the operation of the Advisory Franchisee Committee, which will, amongst other things, determine the number of members on the committee, and who such members will be selected.

9.5 **Franchised Business Directory.** Franchisee agrees to list the Franchised Business in the CareDiem Home Care Location Directory and to furnish to Franchisor such information as Franchisor or its designee may request for that purpose.

9.6 **Advertising Cooperative.** Franchisor has the right to establish and maintain local and regional advertising cooperatives for geographic areas (each an "**Advertising Cooperative**"). Each Advertising Cooperative will use the funds it receives only for the purposes set forth in this Agreement and shall operate pursuant to policies and procedures Franchisor establishes. All Franchised Businesses in the geographic area of the Advertising Cooperative will participate in the Advertising Cooperatives on the same basis. Franchisor will provide

Franchisee written notice of the establishment of any Advertising Cooperative for the geographic area that the Franchised Business is located in, if and when an Advertising Cooperative for the geographic area is established. Franchisee may be required to contribute up to three percent (3%) of its Gross Revenue to the Advertising Cooperative. Franchisee will make those contributions either to Franchisor or directly to Franchisee's Advertising Cooperative, as Franchisor direct from time to time.

Article 10. Financial Reporting.

10.1 Maintenance of Books and Records. Franchisee shall, in the manner and form specified by Franchisor in the Manual or otherwise in writing, prepare on a current basis (and preserve for at least five years from the date of preparation) complete and accurate books and records using such charts of accounts as Franchisor may require, and in accordance with generally accepted accounting principles concerning Gross Revenue and all financial, operating, marketing, and other aspects of the Franchised Business, and maintain an accounting system that fully and accurately reflects all financial aspects of the Franchised Business, and Franchisee. Such books and records shall include, but not be limited to, books of account, tax returns, governmental reports, daily and other periodic reports, and complete quarterly and annual financial statements (profit and loss statements, balance sheets, and cash flow statements). Franchisee's obligation to preserve such books and records shall survive the termination or expiration of this Agreement. If this Agreement is for multiple Territories, Franchisee shall maintain books and records separately for each Territory. Franchisor or its designee shall at all times have access to Franchisee's accounting records. Throughout the Term, Franchisee must use such accounting firm that Franchisor may designate.

10.2 Periodic Income Statement. Unless automatically generated by the Franchisee's point of sale system and independently accessible by Franchisor, on or before the tenth (10th) day of each calendar month, Franchisee shall submit to Franchisor an income statement for the previous calendar month prepared in accordance with generally accepted accounting principles (in such form and detail as Franchisor may require) that will support the computation of all amounts then due under Article 4.1 of this Agreement, provided that, if fees will become due under this Agreement at a different frequency than monthly, upon notice to Franchisee, Franchisor may require reports to be submitted at such frequency as to coincide with the frequency of the payment due dates. The statement shall include information for the preceding month as to Gross Revenue, other revenues, expenses, and such other information as Franchisor may require. Any report required to be submitted hereunder shall be submitted electronically, unless another format for submission is specified by Franchisor. If this Agreement is for multiple Territories, the reports required under this Section will be submitted to the Franchisor separately for each Territory.

10.3 Annual Reports. At Franchisor's request, Franchisee shall submit to Franchisor as soon as available but not later than by April 15 each year after the end of Franchisee's previous fiscal year, at Franchisee's expense, a full and complete reviewed financial statement in writing setting forth the Gross Revenue and the computation of all amounts paid by Franchisee under Article 4.1 of this Agreement for such fiscal year. Such statement must be prepared on a calendar-year basis. Such statement shall be prepared in such format and according to such standards as specified by Franchisor, which may include being prepared in accordance with generally accepted accounting principles, consistently applied, and being accompanied by a report from an independent certified public accountant that the statement has been examined in accordance with generally accepted auditing standards. In addition, at Franchisor's request, Franchisee shall submit to Franchisor true copies of all state sales tax

returns relating to sales made at the Franchised Business at the same time the returns are filed with state authorities, and such other records as Franchisor may reasonably request, including, without limitation, state and federal income tax returns of Franchisee. If this Agreement is for multiple Territories, the reports required under this Section will be submitted to the Franchisor separately for each Territory.

10.4 Audits and Inspections of the Records. Franchisor or its representatives, at Franchisor's expense, shall at all reasonable times have the right to inspect or audit the books, accounts, records, returns, and statements of Franchisee on the premises of Franchisee, such other location where they are kept, or to have such records sent to a separate location designated by Franchisor. The foregoing records may include, but are not limited to, state and federal income tax returns, credit card or any other third-party charge account statements, and any bank, savings and loan, brokerage, or other financial checking, money market, or savings account used for the Franchised Business. Franchisee shall fully cooperate with Franchisor and its representatives or agents conducting such inspections or audits and, upon request; Franchisee shall submit a written response to any issues raised in connection with said audits. In the event a discrepancy between reported Gross Revenue and actual Gross Revenue is uncovered in any audit conducted pursuant to this Article for any reporting period (monthly, quarterly, or annually), Franchisee shall promptly pay the amount determined to be owing and, if the discrepancy exceeds two percent (2%) of reported Gross Revenue, Franchisee shall reimburse Franchisor for all costs of the audit, including travel, lodging, and wages of personnel of Franchisor or third parties required to conduct such audit. Franchisee shall also promptly reimburse Franchisor for the cost of any audit (including salaries, travel, and living expenses) necessitated by Franchisee's failure to file any financial report due hereunder and any deficiency in royalties or Brand Development Fund contributions disclosed by such audit. At Franchisor's option, Franchisee shall also immediately pay to Franchisor a late charge on the understated amount due from the date such amount was due until paid at the lesser of one and a half percent (1.5%) per month or the maximum rate permitted by applicable law. The foregoing remedies shall be in addition to any other remedies Franchisor may have. Submission by Franchisee of more than 2 written statements of Gross Revenue which under-report Gross Revenue for any reporting period by two percent (2%) or more (regardless of any subsequent cure) shall constitute a material breach of this Agreement entitling Franchisor, at its option, the right to terminate this Agreement pursuant to Article 14.1.C. of this Agreement.

10.5 Authorization of Financial Institutions and of Disclosure. Franchisee hereby authorizes all banks and/or other financial institutions with which Franchisee does business to disclose to Franchisor any requested financial information in their possession relating to the Franchised Business. Franchisee further authorizes Franchisor to disclose such information to prospective franchisees and state regulatory agencies; provided that such information is not identified as relating to the Franchised Business unless required by law or regulation and then only if Franchisor requests that such identification be held in confidence.

10.6 Use of Operations Data. The Franchisee agrees that Franchisor or its affiliates may disclose to third parties data concerning and relating, directly or indirectly, to the Franchisee, the operations of Franchisee, and Franchisee's customers (to the extent permissible by law), including, but not limited to information about Gross Revenue ("**Operations Data**"). Franchisee waives any notice in connection with the disclosure of Operations Data. Franchisor agrees, that it, or its affiliates, will from time to time disclose to the Franchisee such operations data as it deems appropriate regarding other franchisees of Franchisor (Operations Data jointly with operations data of other franchisees, "**System Operations Data**"). Franchisor may, in its

sole discretion, determine when and what System Operations Data will be disclosed, and may, without prior notice to, or consent from Franchisee, change the scope of the Systems Operations Data being disclosed to Franchisee or when it is disclosed. Systems Operations Data disclosed to Franchisee is disclosed solely for Franchisee's internal business purposes and to enable Franchisee to compare its results with those of other franchisees of Franchisor. The disclosed Operations Data and Systems Operations Data remains confidential information of Franchisor. Franchisee may not disclose Systems Operations Data to other franchisees of Franchisor, prospective franchisees of Franchisor, competitors of Franchisor, prospective purchasers of Franchisee or any of the Franchisee's assets, financial institutions, or any other third parties. The Systems Operations Data so disclosed will be based on information provided to Franchisor by its franchisees. Such information will not be verified by Franchisor or any of its affiliates. Franchisor has no obligation to correct Systems Operations Data disclosed after it learns that it was incorrect or incomplete, or to inform Franchisee thereof.

Article 11. Proprietary Marks and Trade Secrets; Competition.

11.1 Ownership of Proprietary Marks and System. Franchisor is either the owner or the licensee of all Proprietary Marks. Franchisee acknowledges that ownership of all right, title, and interest in the System and all parts thereof, including, without limitation, the Proprietary Marks and the design, decor, and image of all Franchised Businesses, is and shall remain vested solely in Franchisor and IP Owner. Franchisee expressly disclaims any right, title, or interest therein or in any goodwill derived therefrom.

11.2 Franchisee's Use of Proprietary Marks and System. The license granted hereby to use the Proprietary Marks is nonexclusive, and Franchisee agrees that such Proprietary Marks are and shall remain the property of IP Owner and shall not be contested as to ownership or validity by Franchisee. Franchisee understands and agrees that the grant of the license to use the Proprietary Marks is conditioned upon Franchisee's agreement that: (a) the Proprietary Marks shall be used only in connection with the Franchised Business and only in the manner authorized by Franchisor; (b) Franchisee will not use the Proprietary Marks or parts thereof as part of its corporate or other legal name, will identify itself as a Franchisee, and will comply with all fictitious name and other statutes in connection with its use of the Proprietary Marks; (c) Franchisee will cooperate with Franchisor in protecting and defending the Proprietary Marks; and (d) Franchisee will comply with Franchisor's designations of additions, deletions, and changes in the Proprietary Marks. Franchisee's license to use the System, and any part thereof, is personal to Franchisee, and Franchisee shall not license, sublicense, or allow the System, or any part thereof, to be used by any other person, firm, or business association. All uses of the System by Franchisee inure to the benefit of Franchisor and with respect to the Proprietary Marks, to the benefit of IP Owner. Franchisee acknowledges and agrees that for purposes of protecting IP Owner's interest in the Proprietary Marks, IP Owner is a third-party beneficiary to this Agreement.

11.3 Changes to the Proprietary Marks. Franchisor reserves the right, in its sole discretion, to designate one or more new, modified or replacement Proprietary Marks for Franchisee's use and to require Franchisee's use of any such new, modified or replacement Proprietary Marks in addition to, or in lieu of any previously designated Proprietary Marks. Franchisee must, at its expense, comply with any such directive within sixty (60) days following its receipt of Franchisor's written notice.**Protection of Proprietary Marks and System.** Franchisee shall not, directly or indirectly, at any time during the Term or thereafter, do, cause, or suffer to be done any act or thing disputing, attacking, or in any way impairing or tending to impair the right, title, or interest of Franchisor or IP Owner (to the extent applicable) in the Proprietary

Marks or the System. Franchisee shall immediately notify Franchisor in writing of all infringements or imitations of the Proprietary Marks of which Franchisee becomes aware, and Franchisor or IP Owner (to the extent applicable) shall exercise absolute discretion in deciding what action, if any, should be taken. Franchisee shall fully cooperate with Franchisor or IP Owner (to the extent applicable) in the prosecution of any action to prevent the infringement, imitation, or illegal use of the Proprietary Marks and agrees to be named as a party in any such action at Franchisor's request. Franchisor or IP Owner, as the case may be, shall bear any and all legal expenses incident to Franchisee's participation, at Franchisor's request, in any action to prevent the infringement or illegal use of the Proprietary Marks, except for the cost of any legal counsel separately retained by Franchisee. Except as expressly provided in this Article, Franchisor shall not be liable to Franchisee for any damages, costs, expenses, loss of profits or business opportunities, or incidental or consequential damages of any kind or nature whatsoever relating to any action involving the Proprietary Marks.

11.5 Identification of Franchised Business. Franchisee shall use the Proprietary Marks as the sole identification of the Location; provided, however, that in all public records and in its relationship with other persons, on stationery, business forms, checks, marketing materials or as otherwise required by Franchisor, Franchisee shall indicate Franchisee's independent ownership of the Franchised Business. Franchisee shall identify the Franchised Business as being independently operated, such as "Independently owned and operated by [Franchisee] through a Franchise Agreement with CareDiem Franchising, LLC." or "This CareDiem Home Care Franchised Business is independently owned and operated by [Franchisee] through a Franchise Agreement with CareDiem Franchising, LLC." Franchisee shall file so-called assumed name or doing business certificates with local or state authorities, as required by applicable law, showing its independent ownership of the Franchised Business. In no event shall Franchisee use the Proprietary Marks in connection with the sale of any product or service not authorized for sale by the Franchised Business. Franchisee shall not license, sublicense, or allow the Proprietary Marks to be used by any other person or business entity without Franchisor's prior written approval. In adopting any corporate, limited liability company, proprietorship, or partnership name, Franchisee shall not use the Proprietary Marks or any variation or abbreviation thereof, or any words confusingly similar thereto. Franchisee has no right to register any of the Proprietary Marks and shall not register any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark with the U.S. Patent and Trademark Office, the Canadian Intellectual Location Office, or with state, provincial, or other authorities, or to register any URL or other internet address, or Online Presence account or page name, including any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or Franchisee to modify or discontinue use of the Proprietary Marks, and/or use one or more additional or substitute trade or service Proprietary Marks, Franchisee agrees to comply therewith within a reasonable time after written notice thereof by Franchisor.

11.6 Trade Secrets. Franchisee further acknowledges and agrees as follows:

A. Franchisor possesses certain Trade Secrets, and in general, methods, techniques, formats, specifications, programs, procedures, information systems, and knowledge, in the operation and franchising of Properties and other in-home care concepts.

B. Franchisor will disclose the Trade Secrets to Franchisee in furnishing Franchisee with standard plans for the or Online Presence account or page name,, in the Manual and any other materials, by providing training to Franchisee hereunder, and in the performance of Franchisor's other obligations and the exercise of its other rights under this Agreement.

Franchisee hereby agrees that all materials lent or otherwise made available to Franchisee by Franchisor and all disclosures made to Franchisee hereunder including, without limitation, the Manual and other confidential commercial information identified as such by Franchisor are Trade Secrets of Franchisor and shall be kept confidential and used by Franchisee only in the operation of the Franchised Business. Franchisee will not, nor permit anyone else to, reproduce, copy, access or exhibit any portion of the Manual or any other confidential or proprietary information received from Franchisor. Franchisee shall not divulge any such Trade Secrets to any person other than Franchisee's employees and then only to the extent necessary for the operation of the Franchised Business.

C. Franchisee shall acquire no interest in the Trade Secrets, other than the right to utilize them in the development and operation of the Franchised Business during the Term. The use or duplication of the Trade Secrets in any other business will constitute an unfair method of competition. The Trade Secrets are proprietary and are disclosed to Franchisee in confidence and solely on the condition that Franchisee agrees, and Franchisee hereby agrees that Franchisee (i) will not use the Trade Secrets in any other business or capacity; (ii) will maintain the absolute confidentiality of the Trade Secrets during and after the Term; (iii) will not make unauthorized copies of any portions of the Trade Secrets disclosed in written form, including, without limitation, any plans, the Manual, bulletins or supplements, and additions thereto; and (iv) will operate and implement all reasonable procedures prescribed by Franchisor to prevent the unauthorized use and disclosure of the Trade Secrets. Franchisee shall immediately notify Franchisor of any unauthorized use or disclosure of the Manual or any of the Trade Secrets or if the Manual or any other materials containing any Trade Secrets are lost or stolen.

D. The foregoing restrictions on Franchisee's disclosure and use of Trade Secrets shall not apply to information, processes, or techniques that are or become generally known and used by other similar lodging concepts, other than through disclosure (whether deliberate or inadvertent) by Franchisee, and disclosure of Trade Secrets in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose such information, provided, Franchisee shall have used Franchisee's best efforts, and shall have afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

11.7 Owners and Others Covered by Article 11. Unless the context otherwise requires, the term "Franchisee" as used in this Article 11 shall include, individually and collectively, all partners, officers, directors, and managers of Franchisee, and owners or holders, directly or indirectly (and any partners, officers, directors, and managers of any such holder), of 5% or more of the beneficial interest in Franchisee.

11.8 Confidentiality Agreements. At Franchisor's request, Franchisee shall require and obtain execution of a Confidentiality Agreement in a form acceptable to Franchisor, (including a Confidentiality Agreement applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (a) all officers, directors, and holders of a beneficial interest of 5% or more of the securities of (i) Franchisee and (ii) any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation; (b) the general partners and any limited partners, if Franchisee is a partnership; (c) the managers and members, if Franchisee is a limited liability company; and (d) all of Franchisee's employees (and in the case of (a), (b), and (c), including any entity, and the officers, directors, and holders of a beneficial interest of 5% or more of the securities of such entity which controls, directly or indirectly, such parties). Failure by Franchisee to obtain execution of the Confidentiality Agreement required by

this Article, or to deliver such Confidentiality Agreement to Franchisor, shall constitute a material breach of this Agreement.

11.9 Agency Manager Confidentiality Obligations. Franchisee shall require every person employed as agency manager of the Franchised Business to devote full time to such employment and to agree in writing to be bound by the restrictions set forth in this Article. Franchisee shall also take all reasonable steps to require other employees to be bound by the confidentiality provisions of this Article. Upon Franchisor's request, Franchisee shall promptly provide copies of all such agreements to Franchisor.

11.10 Proprietary Marks in Electronic Commerce. All use of the Proprietary Marks in electronic commerce, which includes all forms of electronic or computer communication, including all Online Presence, must comply with the requirements set forth in the Manual. Franchisor may require that various types of marketing or advertising utilize a specific template or format. Franchisee must provide Franchisor with copies of all proposed applications for registrations of any of the Proprietary Marks or any variation thereof for use in and for electronic commerce, including Franchisee's website address, domain name and any other individual franchisee Online Presence (to the extent permitted by Franchisor). Franchisee must obtain Franchisor's prior written approval to file any such application, which Franchisor may withhold in its sole discretion. Upon expiration or termination of this Agreement, Franchisee agrees to transfer its website addresses and domain names to Franchisor upon Franchisor's written request. Franchisee will not receive any compensation for such transfer.

11.11 Revisions of Article 11 and Injunctive Relief. In the event any provision of this Article is deemed by a court of competent jurisdiction to be more restrictive than permissible at law or equity, then Franchisee agrees that the provisions hereof may be reformed and modified and enforced by such court to the maximum extent permissible under applicable law and principles of equity. Franchisee agrees that specific performance and injunctive relief are necessary and appropriate remedies for violations of this Article and agrees to the enforcement of such remedies, but without prejudice to the right of Franchisor to recover money damages, which are in no event a full and adequate remedy for such violations.

11.12 Covenant Not to Compete. Franchisee acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to Franchisee for the purpose of operating the Franchised Business only in the Territory. Franchisee agrees that it would be an unfair method of competition for Franchisee to duplicate, or to allow others to use or duplicate, any of the knowledge, know-how, or expertise for any reason other than the operation of the Franchised Business under this Agreement. Franchisee further recognizes the importance of devoting substantial time and energy to the Franchised Business. Therefore, Franchisee agrees that:

A. During the Term Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager, or otherwise, in any Competing Business (except another Franchised Business); provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article.

B. For a period of two (2) years following the transfer (by Franchisee or by an owner signing an Owner's Acknowledgement to this Agreement), expiration, or termination of this

Agreement for any reason, Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager or otherwise, in any Competing Business (except a Franchised Business) anywhere in the Franchise's Territor(y/ies) or the Territory of any other Franchised Business; provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article. If Franchisee is in breach of this Section following the transfer, expiration or termination of this Agreement (including by continuing to operate the Franchised Business as a CareDiem Home Care Franchised Business after the Agreement has expired or terminated), the period of duration for the obligation set forth herein will be tolled until the resolution of any enforcement action taken by Franchisor against Franchisee to enforce this Section. The Franchisee covenants that it will not, for a period of two (2) years after the expiration, non-renewal or termination of this agreement, regardless of the cause of termination, or within two (2) years of the sale of the Location or any interest in the Franchisee, solicit business from customers of the Franchisee's former Franchised Business or from any national accounts, or contact any of Franchisor suppliers or vendors for any competitive business purpose, or solicit any of its former Franchised Business' key or executive levels employees, or the key or executive-level employees of any franchised business operated by another franchisee, Franchisor or its affiliates to discontinue employment.

Article 12. Insurance and Indemnity.

12.1 Insurance. During the Term, Franchisee shall comply with all insurance requirements of any lease, mortgage, or deed of trust covering the Location as well as all insurance requirements of Franchisor as set forth in the Manual or as otherwise communicated by Franchisor from time to time. All insurance shall be procured at the earliest possible time that Franchisee has an insurable interest with respect thereto, but in no event later than the opening of the Franchised Business, and shall be written by insurance companies with an A.M. Best rating of A-VI or greater. As of the Effective Date, at a minimum, Franchisee shall maintain the following:

- i. Commercial General Liability (CGL) insurance with coverage for bodily injury, personal injury, property damage, contractual liability, products liability, completed operations, and independent contractors, written on the latest ISO CG 00 01 occurrence form or equivalent. The policy shall have minimum limits of (i) \$1,000,000 for each occurrence, and (ii) \$2,000,000 annual general aggregate. The following minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$1,000,000 Products/Completed Ops Aggregate, \$100,000 Damage to Rented Premises, and \$5,000 Medical Expense.
- ii. Professional Liability Insurance professional liability insurance on an occurrence basis with a separate limit not less than \$1,000,000 per occurrence and \$3,000,000 aggregate per policy year.
- iii. Cyber Liability with a \$500,000 minimum limit responding to unauthorized access of Franchisee's computer system, covering costs associated with notification of affected parties, credit monitoring, investigative & administrative costs, as well as 3rd party liability for the breach.
- iv. Sexual Misconduct and Physical Abuse Liability with a separate limit not less than \$1,000,000 per occurrence/\$3,000,000 aggregate per policy year.

- v. Employment Practices Liability (EPL) insurance with \$500,000 minimum limits providing defense costs and damages up to policy limits for claims of sexual harassment, discrimination, and wrongful termination (coverage must include a “3rd Party Endorsement” to respond to client allegations of similar wrongful acts) to include at minimum \$250,000 for Wage & Hour defense costs. If the EPL is not accessible or available at a reasonable cost (as determined by our finance department in writing), a minimum \$100,000 for Wage & Hour defense costs may be accepted. Should Franchisee elect EPL with a minimum \$100,000 for Wage & Hour defense costs and a claim is made against Franchisee or any of its employees or affiliates, Franchisee must obtain a letter of credit for the difference between the standard \$250,000 minimum and the \$100,000 exception. Franchisee must purchase a minimum 12-month extended reporting endorsement (aka “tail”) upon sale or closure of the Franchised Business.
- vi. Crime Coverage Insurance responding to employee theft from Franchisee or theft of Franchisee’s clients’ property with a minimum \$25,000 limit per incident and must not contain a Conviction Clause.
- vii. Automobile Liability not less than \$1,000,000 combined single limit each accident.
- viii. Workers’ Compensation and Employer’s Liability insurance for all employees that work at for the Franchised Business, regardless of whether Franchisee is able to exempt itself under applicable state law from the Workers’ Compensation requirement, or whether the employees are full-time, part-time, temporary, seasonal, leased, or borrowed. The Workers’ Compensation coverage provided shall be in accordance with the laws of the state where the Franchised Business and Territory is located, and the Employer’s Liability coverage shall have limits of \$500,000 each accident for bodily injury by disease; \$500,000 each employee for bodily injury by disease; and \$500,000 policy limit for bodily injury by disease.

12.2 Waiver of Subrogation and Additional Insureds. All policies of insurance specified herein shall contain a provision or endorsement whereby the insurers waive any rights of subrogation against the Indemnitees. The insurance policies required by Section 12.1, shall name the Indemnitees as additional insureds and such policies shall apply on a primary and non-contributory basis to any insurance maintained by the Indemnitees. Upon execution of this Agreement, Franchisee shall deliver Certificates of Insurance to Franchisor evidencing Franchisee’s compliance with the insurance requirements herein. An updated Certificate of Insurance shall be provided any time a policy required herein is renewed or a carrier is changed. Franchisee shall provide Franchisor with notice of cancellation of any insurance policy required herein promptly after receiving such notice from its respective insurance carrier(s). Franchisor shall have the option, at any time during the Term, to request and examine complete policies of insurance from Franchisee.

12.3 Sufficiency of Insurance Not Guaranteed. Franchisee acknowledges and understands that Franchisor makes no representation or warranty with respect to the adequacy or sufficiency of the insurance required under this Article, and that Franchisee shall have the sole responsibility to determine whether additional insurance or higher limits are appropriate. Franchisee should consult with its own insurance agents, brokers, attorneys or other

insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required herein. Franchisor's review and verification of certain elements of the franchisee's insurance does not in any way reduce or eliminate Franchisee's obligations to fully comply with all insurance requirements. It is Franchisee's sole obligation to fully comply with these insurance requirements and it is Franchisee's sole obligation to confirm with its insurance providers that its policies are in compliance.

12.4 Franchisor's Right to Obtain Insurance. If Franchisee does not obtain and maintain the insurance coverage required by this Agreement, as revised by the Manual or otherwise in writing, Franchisor may, but shall not be obligated to, procure such insurance, and the cost or expense thereof, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon demand.

12.5 Indemnity. Franchisee shall release, defend, indemnify, and hold the Indemnitees harmless from and against any and all fines, damages, legal fees, costs, expenses, and other liabilities suffered or incurred by the Indemnitees by reason of any actual or threatened claim, demand, lawsuit, tax, penalty, investigation, or other proceeding ("**Claim**") (even where Indemnitee's negligence or other wrongful conduct is alleged) arising directly or indirectly from, as a result of, or in connection with (a) any application submitted to Franchisor, (b) the development, operation, condition, use, or sale of the Franchised Business, (c) any occurrence at or on the Location premises, or any other place where the Franchised Business is operated, permanently or temporarily, including in the residence of any customer of the Franchised Business, (d) any environmental matters of any kind pertaining to the Location, (e) any breach of any terms or provisions of this Agreement by Franchisee, and/or (f) any offering of securities, units, or other ownership interests of Franchisee, including, without limitation, the violation of any federal and/or state securities laws. Notwithstanding the foregoing, Franchisor shall have the right, through counsel of its choice, to control the defense of any matter to the extent Franchisor reasonably determines that such matter may have a significantly adverse effect on any of the Indemnitees. Franchisee's indemnity obligations under this Agreement shall survive the expiration or other termination of this Agreement and shall be in addition to all other rights and remedies of Franchisor. Franchisee's obligations to indemnify Franchisor under this Article shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of its obligation to maintain insurance relieve Franchisee of liability under this indemnity provision or be construed to be a limitation on the amount of Franchisee's indemnity obligations. The right of the Indemnitees to indemnity under this Agreement shall arise notwithstanding that joint or concurrent liability may be imposed on the Indemnitees by statute, ordinance, regulation, or other law; provided, however, that Franchisee shall not be required to indemnify the Indemnitees from any Claim to the extent proven or agreed between the parties to have been caused by the sole or gross negligence or willful misconduct of the Indemnitees.

Article 13. Transfer of Interest or Management.

13.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of this Agreement, or all or any of its rights or obligations herein to any person or legal entity and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

13.2 Transfer by Franchisee. This Agreement is not transferable by Franchisee except as permitted herein. The rights and duties set forth in this Agreement are

personal to Franchisee and are granted in reliance on the individual and collective business skill, financial capacity, and personal character of Franchisee and its owners. Accordingly, neither this Agreement or the license granted hereunder, any part or all of any owner's direct or indirect ownership interest in Franchisee, the Franchised Business, nor a substantial portion of the Franchised Business's assets (collectively, the "**Franchised Interests**"), may be transferred by Franchisee without Franchisor's prior written approval, and then only in accordance with the provisions of this Agreement. Any purported Transfer by Franchisee, by operation of law or otherwise, which is not permitted hereunder, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate in accordance with Article 14.1.C. without opportunity to cure.

13.3 Grant of Security Interests. Franchisee shall grant no security interest, lien, mortgage, or deed of trust on any or all of the real estate or fixtures of the Franchised Business without the prior written consent of Franchisor and then only if the secured party, lien holder, mortgagee or beneficiary of the deed of trust provides Franchisor with a non-disturbance agreement or comfort letter in form and substance reasonably acceptable to Franchisor.

13.4 Transfer from Individual Franchisee to Entity. In the event that Franchisee is an individual and proposes, subsequent to the execution of this Agreement, to transfer this Agreement to a corporation, partnership, or limited liability company formed by Franchisee, Franchisor's consent to such transfer shall be conditioned upon satisfaction of and compliance with Article 7.17 of this Agreement and to the following additional requirements:

A. Franchisee shall be the owner of all of the voting stock, interests, or units of the corporation, partnership, or limited liability company; and, if Franchisee is more than 1 individual, each individual shall have the same proportionate ownership interest in the corporation, partnership, or limited liability company as they had in Franchisee prior to the transfer.

B. All transferors shall execute a written agreement personally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor from the date of transfer and agreeing to be bound by all the terms and conditions of this Agreement.

13.5 Right of First Refusal. Any transfer of any or all ownership interest, control, or voting rights in Franchisee or of any or all of the assets of Franchisee, which assets include this Agreement, except for a transfer made under Article 13.4, shall be subject to Franchisor's right of first refusal to such interest or assets (each a "**Right of First Refusal Transfer**"). Except in the event of a transfer pursuant to Article 13.4, if Franchisee or any of its owners receive a bona fide offer for the sale of any or all ownership interest in Franchisee or of any or all of the assets of Franchisee, which assets include this Agreement, they shall notify Franchisor of the offer. Franchisor shall have the right for a period of thirty (30) days after the notice is submitted together with all other information requested by Franchisor to exercise a right of first refusal and substitute itself for the proposed transferee in the transaction. If Franchisor declines to do so and there is any change in the terms and conditions of the proposed transaction or the proposed transferee, Franchisee shall promptly notify Franchisor, and Franchisor shall have the further right to exercise its right of first refusal over the revised transaction for a period of thirty (30) days. Should Franchisor exercise its right of first refusal, Franchisor shall have not less than an additional sixty (60) days to close the transaction, and Franchisor shall have the right to substitute cash for any alternative form of consideration contemplated by the proposed transaction. If Franchisor does not exercise its right of first refusal, Franchisee or the transferring owners may make a transfer on the terms and conditions of the offer considered by Franchisor, if Franchisee and its owners have complied with all of the provisions of this Article.

13.6 Death or Incapacity. Upon Franchisee's death or Incapacity, or, if Franchisee is a corporation, partnership, or limited liability company, upon the death of an owner of a Controlling Interest or upon the determination by Franchisor that the owner of a Controlling Interest is Incapacitated, Franchisee's or such owner's executor, administrator, conservator, guardian, or other legally appointed personal representative must transfer Franchisee's interest in this Agreement or the owner's interest in Franchisee to a third party. Such disposition of this Agreement or the interest in Franchisee of an owner of a Controlling Interest (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 1 year from the date of death or Incapacity, and will be subject to all of the terms and conditions applicable to transfers contained in this Article 13. A failure to transfer Franchisee's interest in this Agreement or the interest of an owner of a Controlling Interest in Franchisee within this period of time constitutes a breach of this Agreement. Adequate provision must be made, in the sole discretion of Franchisor, for management of the Franchised Business during such period. Franchisee's interest in this Agreement or any owner's interest in Franchisee which is an entity may, with Franchisor's consent, which will not be unreasonably withheld, be transferred to the decedent's spouse, parent, sibling, or direct descendant or to spouse's direct descendant.

13.7 Temporary Management in Case of Death or Incapacity. If, upon Franchisee's death or Incapacity, or upon the death or Incapacity of an owner of a Controlling Interest in Franchisee, Franchisee's or the owner's executor, administrator, conservator, guardian, or other legally appointed personal representative must within a reasonable time, not to exceed 30 days from the date of death or declaration of Incapacity, appoint an approved management company to operate the Franchised Business. Such an approved management company may be appointed only with Franchisor's prior written approval and will be required to complete training at Franchisee's expense. Pending the appointment of an approved management company as provided above or if, in Franchisor's judgment, the Franchised Business is not being managed properly at any time after Franchisee's death or declaration of Incapacity or after the death or declaration of Incapacity of an owner of a Controlling Interest in Franchisee, Franchisor has the right, but not the obligation, to appoint a agency manager or management company for the Franchised Business. All funds from the operation of the Location during the management by Franchisor's appointed agency manager or management company will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs, and travel and living expenses incurred by the management company, will be charged to this account. Franchisor also has the right to charge a reasonable management fee (in addition to the Royalty Fee and Brand Development Fee payable under this Agreement) during the period that Franchisor's appointed agency manager or management company manages the Franchised Business. Operation of the Franchised Business during any such period will be on the transferee's behalf, provided that Franchisor only has a duty to utilize commercially reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses or expenses, or obligations incurred by the Franchised Business or to any creditors for any products, materials, supplies, or services the Franchised Business purchases during any period it is managed by Franchisor's appointed agency manager or management company. The transferee will remain solely responsible for maintaining the Franchised Business during any period in which Franchisor's appointed agency manager or management company is managing the Franchised Business on the transferee's behalf.

13.8 Public and Private Offerings. Securities, units, or other ownership interests in Franchisee may be offered by public or private offering, or otherwise, only with the prior written consent of Franchisor (whether or not Franchisor's consent is required under Article 13.2 of this Agreement). If Franchisee requests consent for a public offering Franchisor may grant

or withhold its consent in its sole discretion based solely upon what Franchisor deems to be in its best interests. If Franchisee requests consent for a private offering, Franchisor will not unreasonably withhold its consent. All materials required for such offerings by federal or state law shall be submitted to Franchisor for review prior to their being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to their use. No Franchisee offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of Franchisee or Franchisor securities, and Franchisor's review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed public offering, Franchisee shall pay to Franchisor a fee of \$25,000, or such higher amount that covers Franchisor's reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. Franchisor at its discretion may refund any unused portion of such fee. For each private offering of securities, Franchisee shall pay to Franchisor a fee of \$10,000 or such higher amount that covers Franchisor's reasonable costs and expenses associated with reviewing the proposed private offering, including, without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least ninety (90) days prior to the date of commencement of any public offering and at least thirty (30) business days prior to the date of commencement of any private offering or other transaction covered by this Article.

13.9 Minority Transfers to Employees. Notwithstanding any provision to the contrary contained in this Article, Franchisee may transfer not more than an aggregate of 25% of the outstanding voting shares, units, or ownership interests of a Franchisee operating as a corporation, partnership, or limited liability company to employees of Franchisee who are actively engaged in the Franchised Business operations, if such transfers, alone or together with other previous, simultaneous, or proposed transfers, do not have the effect of transferring a Controlling Interest in Franchisee. The ownership of such shares, units, or ownership interests by such employees will be subject to all of the terms and conditions of this Agreement, including, without limitation, Article 11 and Article 13 of this Agreement. Franchisee shall provide Franchisor with written notice of any such proposed transfer and all pertinent information regarding the same not later than 30 days prior to the proposed date of transfer.

13.10 Conditions to Transfers. Franchisor shall not unreasonably withhold any consent required under this Article 13; provided, that Franchisor shall have the right to require any or all of the following as conditions of its approval of a Transfer:

A. except for a Transfer pursuant to Articles 13.3, 13.4, 13.7, 13.8 and 13.9, that each proposed transferee shall be required to submit an application for a new license. Franchisor will process such application in accordance with Franchisor's then-current procedures, criteria, and requirements regarding fees, upgrading of the Franchised Business, credit, operational abilities and capabilities, prior business dealings, and other factors Franchisor deems reasonable.

B. that each transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, successors, and assigns, including, without limitation, claims arising under this Agreement, and any other agreement between Franchisee and Franchisor or its Affiliates;

C. that the transferee or its owners shall guarantee, in a form satisfactory to Franchisor, the performance of all obligations of the Franchisee from the date of Transfer;

D. if the proposed Transfer would result in a Change in Control of Franchisee, that the transferee shall execute the then-current form of Franchise Agreement being offered to new Franchisees for the full term. The transferee shall execute such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty and/or advertising fee.

E. if the proposed Transfer is between current owners of Franchisee, or does not result in a Change of Control of Franchisee, Franchisee will pay a transfer fee of \$1,500; if the Transfer results in a Change of Control of Franchisee, and is to another System franchisee, Franchisee will pay a transfer fee equal to fifty percent (50%) of the then current initial franchise fee; if the Transfer results in a Change of Control of Franchisee, and is to a party that is not currently a System franchisee, Franchisee will pay a transfer fee equal to seventy-five percent (75%) of the then current initial franchise fee. Such fee is in lieu of any application fee or Initial Franchise Fee normally required under a new Franchise Agreement, and is intended to reimburse Franchisor for reasonable fees and expenses incurred by Franchisor in facilitating the proposed Transfer.

F. if a proposed Transfer would result in a Change in Control of Franchisee, Franchisor may require that Franchisee or transferee at its expense upgrades the Franchised Business to conform to the then current System standards and specifications, and completes the upgrading and other requirements within the time specified by Franchisor;

G. that all monetary obligations of Franchisee hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of its obligations hereunder including, without limitation, its reporting obligations;

H. that the transferor shall continue to be bound by, and remain liable for all of the obligations to Franchisor in connection with the Franchised Business that arose prior to the effective date of the Transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

I. if a proposed Transfer would result in a Change in Control of Franchisee, at Franchisee's expense, the transferee, or, if the transferee is a business entity, one of its owners, shall complete to Franchisor's satisfaction all training programs required by Franchisor upon such terms and conditions as Franchisor may reasonably require, including the payment of a fee for attendance at such training programs (The transferee shall be responsible for the salary and all expenses of the person who attends training);

If the proposed Transfer is not approved by Franchisor and Franchisee proceeds to transfer the Location or securities, units, or other ownership interests in Franchisee to any proposed new owner, then this Agreement shall terminate pursuant to Article 14.1 hereof and Franchisor will be entitled to all of its remedies. Neither the Agreement, nor any rights hereunder shall be transferable in the event that the Franchisee is in default under the Agreement.

13.11 No Waiver of Claims. Franchisor's consent to a Transfer by Franchisee of any interest in the license granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

Article 14. Default and Termination.

14.1 This Agreement may not be terminated prior to the expiration of its term except as provided in this Article. Termination of this Agreement shall not relieve Franchisee of any unfulfilled obligations to Franchisor created hereunder unless it is so agreed by Franchisor in writing. This Agreement may be terminated as follows:

A. Upon the mutual agreement of the parties in writing to a termination.

B. At Franchisor's option, effective immediately upon the giving of written notice to Franchisee, if Franchisee (i) fails commence operations within the time schedule established under Article 5 of this Agreement; (ii) loses the required licensure and certification for operation of the Franchised Business, or otherwise ceases to operate the Franchised Business or otherwise abandons the business, or forfeits the legal right to do business in the jurisdiction where the Territory is located; (iii) is convicted of a felony or other crime involving moral turpitude, consumer fraud, or crime or offense Franchisor believes is likely to have an adverse effect on Franchisee's ability to carry out the duties imposed by this Agreement or to have an adverse effect on the System and the goodwill associated therewith; (iv) transfers (including transfers following death or Incapacity) of any rights or obligations in violation of the terms of Article 13 of this Agreement; (v) misuses or discloses confidential information in violation of Article 11 of this Agreement; (vi) knowingly makes any false statements in any report or document submitted to Franchisor; (vii) submits more than two written statements of Gross Revenue which under-report Gross Revenue for any reporting period by 2% or more; (viii) suffers a final judgment to remain unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed), or has execution levied against Franchisee's business or property, or any suit is filed to foreclose any lien or mortgage against the Business Assets and not dismissed within thirty (30) days; (ix) becomes insolvent or has a receiver appointed to take possession of Franchisee's business or property or any part thereof or makes a general assignment for benefit of creditors; (x) engages in public conduct that reflects materially and unfavorably upon the operation of the System, the reputation of the System, or the goodwill associated with the Proprietary Marks; provided that engaging in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation) shall not be grounds for termination; (xi) is in default under any other franchise agreement or other agreement with Franchisor or any of its Affiliates which is not curable, or, if such default is curable, has not cured such default within the applicable cure period; or (xii) or any Affiliate defaults under any franchise agreement or other agreement with Franchisor or any of its Affiliates which is not curable, or if such default is curable, has not cured such default within the applicable cure period.

C. At Franchisor's option, without notice, in the event Franchisee shall become bankrupt or become subject to a proceeding under any chapter of the United States Bankruptcy Code, unless Franchisee shall: (i) timely undertake to reaffirm the obligations under the Agreement, (ii) timely comply with all conditions as legally may be imposed by Franchisor upon such an undertaking to reaffirm the Agreement, and (iii) timely comply with such other conditions and provide such assurance as may be legally required in or under relevant provisions of the United States Bankruptcy Code; provided, however, that the parties acknowledge that this Agreement constitutes a personal services contract made in reliance on the qualifications and personal characteristics of Franchisee and its directors, officers, managers, shareholders, members, or partners, as the case may be, and in the expectation of a material degree of personal involvement in the management and operation of the Franchised Business, and consequently, the parties agree that any attempt by any other party, including a trustee in bankruptcy or any other third party, to assume or accept a transfer or assignment of this Agreement shall be void,

and that in no event shall this Agreement or any rights or duties of Franchisee hereunder, be transferred to any individual or entity who does not comply with all requirements for transfer specified in this Agreement.

D. At the election of Franchisor, effective upon the expiration of thirty (30) days after giving of written notice ten (10) days in the case of non-payment of any Payment or other financial obligation), in the event Franchisee defaults, and does not cure to Franchisor's reasonable satisfaction within the thirty (30) day (or ten (10) day) notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual, or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any 6-month period, and any subsequent occurrence of the same or substantially similar default within such 6-month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure.

14.2 Forbearance is Not Waiver. No forbearance of Franchisor from asserting any default or giving any permitted notice of termination shall constitute a waiver of such default or right to terminate or an estoppel against such right as to any continuing default or subsequent occurrence of a default, whether similar or dissimilar in nature to the prior default. The rights of Franchisor to terminate this Agreement are in addition to, and not in lieu of, other remedies available at law or equity for defaults by Franchisee in the payment and performance of its obligations hereunder.

14.3 Purchase Option. Upon termination or expiration of this Agreement, Franchisor will have the option, exercisable by giving written notice to Franchisee within thirty (30) days from the effective date of termination or expiration, to purchase the Franchised Business and assume any or all of Franchisee's agreements relating to the Franchised Business. Assets of the Franchised Business will include without limitation, customer contracts, leases, Vehicles, equipment, FF&E, signs, inventory and assignable licenses. Franchisor will have the right to assign this option. Franchisor or its assignee will be entitled to all customary warranties, representations and pro rations in connection with its asset purchase. Franchisee shall cooperate with Franchisor in obtaining any necessary lessor or other consents.

(i) Once Franchisor gives notice that it will purchase the assets of the Franchised Business, it shall have the right immediately to take over the operation of the Franchised Business. From the date Franchisor takes over the Franchised Business to the date of closing the purchase of such assets, Franchisor shall be entitled to use revenues of the Franchised Business to operate the Franchised Business and to retain as its management fee 5% of the balance of such gross sales.

(ii) The purchase price for the assets of the Franchised Business shall be determined as follows: each party shall appoint one appraiser within fifteen (15) days of Franchisor's notice, and each of the two appraisers shall independently of the other determine the purchase price. If the higher of the two prices does not exceed the lower by more than 10% of the lower price, the purchase price shall be 105% of the lower purchase price. If the higher of the two prices exceeds the lower by more than 10% of the lower price, the two appraisers shall select a third appraiser, who shall determine the purchase price. Each appraiser shall determine the purchase price within thirty (30) days of his or her appointment. All the appraisers must be members of the Appraisal Institute. If the

purchase price is not acceptable to Franchisor, it may withdraw its offer to purchase by written notice to the Franchisee. Franchisor shall have ten (10) days from the determination of the final purchase price, to determine whether to purchase the Franchised Business assets.

(iii) The purchase price shall be paid in cash at the closing of the purchase, by means of check, wire transfer or electronic funds transfer, which shall take place no later than ninety (90) days after Franchisee's receipt of notice of Franchisor's exercise of the option to purchase, at which time Franchisee must deliver instruments transferring to Franchisor or its assignee: (1) good and marketable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee; and (2) all licenses to the Franchised Business and/or permits which may be assigned or transferred. If Franchisee cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale shall be accomplished through an escrow. Franchisor will have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, the amount of any encumbrances or liens against the assets, and any liability of Franchisee assumed or paid for by Franchisor.

A. Temporary Removal from Marketing and Sales Channels. In addition to, and without limiting Franchisor's other rights and remedies under this Agreement, any other agreement or applicable law, if Franchisee's default is such that, in Franchisor's sole judgment, the Franchised Business does not fairly represent the quality and standards of the System, Franchisor may, temporarily in lieu of termination, either upon the occurrence of any default or upon Franchisee's failure to cure such default elect, in its sole discretion and upon written notice to Franchisee, take any or all of the following actions without terminating this Agreement until such time as Franchisor confirms in writing that such default has been cured: (1) temporarily remove information concerning the Franchised Business from any Online Presence for the CareDiem Home Care network, other marketing channels, and/or restrict Franchisee's participation in other programs or benefits offered on or through any such Online Presence; (2) temporarily suspend Franchisee's right to participate in any advertising, marketing, promotional, or public relations programs that Franchisor or the Brand Development Fund provides, authorizes, or administers; (3) withhold the provision of any services required to be performed by Franchisor under this Agreement for a period of time determined by Franchisor in its sole discretion; (4) assess a non-compliance fee in the amount of 1% of the Gross Revenue of the Franchised Business for each month in which that non-compliance has occurred or continued for one or more days, in order to compensate Franchisor for damage to the reputation of Proprietary Marks and the entire System; and (5) at Franchisee's expense, require Franchisee, Franchisee's owners and/or agency manager to attend and successfully complete System training designated by Franchisor.

B. Because fees charged by Franchisor for access to any Online Presence and other marketing channels are generally set to cover the cost of the channels and charged on a pro rata basis, Franchisee shall continue to pay such fees, so that Franchisee's default does not negatively impact other Franchisor franchisees. Franchisor's exercise of any of the alternatives to termination set forth in this Article will not constitute a waiver of Franchisor's right to terminate this Agreement due to the underlying default and Franchisor may at any point exercise such right, in spite of having exercised its rights under this Article.

14.4 Temporary Management by Franchisor. In the event of any default under this Agreement, in order to prevent any interruption of the Franchise Business, which

Franchisee agrees would cause harm to the Franchised Business and the System, Franchisee authorizes Franchisor or its agents and Affiliates to operate the Franchised Business for so long as Franchisor deems necessary and practical in its sole discretion. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Franchisor and its agents, in an amount equal to ten percent (10%) of Franchisee's Gross Revenue, will be charged to this separate account. Nothing in this Section is intended to require Franchisor to operate the business in the event of Franchisee's inability, and the rights described in this Section may be exercised or not exercised in Franchisor's sole and absolute discretion.

Article 15. Obligations Upon Termination.

15.1 Upon expiration or termination of this Agreement for any reason:

A. All rights granted hereunder to Franchisee shall terminate;

B. Franchisee shall immediately and permanently cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a Franchisee of Franchisor;

C. Franchisee shall immediately and permanently discontinue the use of all Proprietary Marks, all similar names and marks, or any other designation or mark indicating or tending to indicate that Franchisee is or was a Franchisee of Franchisor. Franchisee shall promptly amend or terminate any filings or registrations with any governmental authorities containing or pertaining to the use of Franchisor's name and Proprietary Marks. Franchisee shall not promote or advertise the fact that it was formerly a Franchisee of Franchisor;

D. Franchisee shall surrender and transfer to Franchisor or its designee any and all rights to use the telephone numbers, other business listings, and social media accounts and all other accounts and pages in any form of Online Presence used by Franchisee for the Franchised Business. Franchisee agrees to cooperate and execute any and all documents required to affect transfer of the telephone numbers and other business listings from Franchisee to Franchisor or its designee.

E. Franchisee shall immediately turn over to Franchisor all materials, including, without limitation, the Manual (in whatever form Franchisee may have) and all other manuals, all customer and supplier lists, marketing materials, instructions, any Online Presence references and brochures, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of the foregoing, excepting only Franchisee's copy of this Agreement and of any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law;

F. Franchisee shall immediately and permanently discontinue all advertising as a Franchisee of Franchisor, including but not limited to removal of all signs and other identifying marks and colors, and shall destroy or surrender to Franchisor any letterheads, forms, printed matter, and advertising containing Franchisor's Proprietary Marks and any similar or related names marks or designations tending to indicate that Franchisee is or was an authorized Franchisee of Franchisor;

G. Franchisee shall, at its expense, immediately make such modifications or alterations as may be necessary to distinguish the Office so clearly from its former appearance and from other Franchised Businesses as to prevent any possibility of confusion therewith by the public, and to prevent the operation of any business at the location in derogation of this Article (including, without limitation, removal of all signs and emblems, and changing of telephone numbers and other directory listings). Franchisee shall, at Franchisee's expense, immediately make such specific additional changes as Franchisor may reasonably request for this purpose. Franchisee agrees that for ninety (90) days following termination or expiration, Franchisor or its designated agents may enter the Location and adjacent areas, and hereby grants Franchisor an irrevocable license and permit to go upon the Location premises for such purposes, at any time to make such alterations, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others. Franchisee acknowledges that such actions by Franchisor are authorized and permitted and shall not be deemed a violation of any civil or criminal law or any basis for an action under such laws by Franchisee or others. Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to Franchisor, and consents to entry, at Franchisee's expense, of an ex parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take such action, if Franchisor seeks such an order;

H. Franchisee shall immediately and permanently cease using Franchisor's System, including, but not limited to the Manual, any other operating or training manuals or aids, intranet, advertising and promotional materials, and all confidential material delivered to Franchisee pursuant to this Agreement;

I. Within ten (10) days following termination or expiration, Franchisee shall provide Franchisor with an inventory of all items in the Franchised Business. Franchisor shall have the right, at its sole option, for a period of sixty (60) days following receipt of such inventory list, to purchase at fair market value all usable materials owned by Franchisee bearing the Proprietary Marks, and/or to purchase Franchisee's supplies, FF&E and signage used in the Location or at the Approved Location at their fair market value;

J. Franchisee shall within ten (10) days from termination or expiration pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include payment of all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property (including, without limitation, signage, equipment, furnishings, furniture, and supplies) owned and used by Franchisee in connection with the Location at the time of default and

K. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

L. In order to prevent any interruption of the franchise business, which Franchisee agrees would cause harm to the Franchised Business and the System, if Franchisee is unable to operate the business for any reason whatsoever, Franchisee authorizes Franchisor or its agents and Affiliates to operate the Franchised Business for so long as Franchisor deems necessary and practical in its sole discretion. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Franchisor and its agents, in an amount equal to ten percent

(10%) of Franchisee's Gross Revenue, will be charged to this separate account. Nothing in this Section is intended to require Franchisor to operate the business in the event of Franchisee's inability, and the rights described in this Section may be exercised or not exercised in Franchisor's sole and absolute discretion.

15.2 Liquidated Damages. The parties recognize the difficulty of ascertaining damages to Franchisor resulting from premature termination of this Agreement and have provided for Liquidated Damages, which Liquidated Damages represent the parties' best estimate as to the damages arising from the circumstances in which they are provided and which are the only damages for the premature termination of this Agreement and not as a penalty or as damages for breaching this Agreement or in lieu of any other payment. Accordingly, if this Agreement is terminated pursuant to Sections 14.1.C or 14.1.E, or by Franchisee without cause, Franchisee shall pay to Franchisor within ten (10) days of termination a lump sum payment (as Liquidated Damages and not as a penalty or in lieu of any other payments required under this Agreement) equal to the total of all amounts required under Article 4 of this Agreement (including Initial Franchise Fees (if not previously paid), Royalty Fees and Brand Development Fees, Web Strategy, Technology Fee, pro-rata marketing and advertising fees) for the twenty-four (24) calendar months of operation of the Franchised Business immediately preceding Franchisee's default, or if there have not been twenty-four (24) full calendar months of actual operation under the System, then for the period of time the Franchised Business has been in actual operation under the System projected over a twenty-four (24) calendar months basis.

15.3 Obligation to Preserve Records. Termination of this Agreement shall not relieve Franchisee of the obligations under Article 10 hereof to maintain and preserve financial and other records and to make them available for inspection and audit by Franchisor.

15.4 Survival of Certain Provisions. All covenants, obligations, and agreements of Franchisee which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination or expiration of the Term, including, without limitation, those set forth in Articles 14 and 15 of this Agreement shall survive such termination or expiration.

Article 16. Additional Covenants.

16.1 Responsibility for Operation of Franchised Business. Franchisee agrees and acknowledges that, prior to executing this Agreement, Franchisee has made such investigation of Franchisor and the System as Franchisee deems necessary, that Franchisee understands that the results of operations of the Franchised Business are dependent upon the efforts and management of Franchisee, and Franchisee hereby assumes full responsibility for such operations.

16.2 No Fiduciary Relationship. It is understood and agreed by all parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. 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 or on Franchisor's behalf, and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business, or any claim or judgment arising therefrom against Franchisor. Franchisee agrees that Franchisor is not in a position to, and does not undertake to, exercise control over the employment, supervision, or

discharge of Franchised Business employees and except as is necessary to protect the quality of the System (brand) and of the services and products rendered by the Franchised Business has no right to do so; guest safety and health; or other matters arising out of or affecting Franchised Business operations, which are within the responsibility of Franchisee as a qualified independent business operator. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the premises of the Franchised Business, and, as directed by Franchisor, in Franchisee's advertising and on Franchisee's agreements, forms, stationery, and promotional materials.

16.3 Method and Application of Payments. All payments to Franchisor hereunder shall be made payable to CareDiem Franchising, LLC and, except as provided in the next sentence, shall be tendered to Franchisor in person at the address set forth in Article 18 below, or by making such Payment by mail, postage prepaid, to that address. At Franchisor's option, Franchisee shall make payments to Franchisor hereunder by wire transfer, electronic funds transfer, or such other payment method as directed by Franchisor, to an account or accounts specified by Franchisor. All Payments received by Franchisor from Franchisee shall be applied to the oldest obligation, regardless of any contrary designation by Franchisee. Franchisee agrees that Franchisee will not, on grounds of the alleged non-performance by Franchisor of any of its obligations hereunder, withhold payment of any royalties, marketing and advertising contributions, amounts due to Franchisor for purchases by Franchisee, or any other amounts due Franchisor.

16.4 Economic Sanctions and Anti-Terrorism Laws. Franchisee and its owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. Franchisee represents and warrants that neither it nor any of its direct or indirect owners, directors, officers, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Location and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) ("**Anti-Terrorism Laws**"). Franchisee and its owners may not engage in any activity that would expose us to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

Article 17. Approvals and Waivers.

17.1 Requests for Approval. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing. Except as otherwise expressly provided herein, Franchisor may withhold any consent or approval herein at its discretion.

17.2 Franchisor's Discretion. Franchisor shall have no liability for withholding any consent or approval or for any delay or inaction in connection therewith, and the granting of any approval or consent shall not imply or constitute any representation, warranty, guaranty, or endorsement of the matter approved or consented to or an assumption of any liability in connection therewith.

17.3 **No Waiver.** No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee, or any other Franchisee, of any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any obligations due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

Article 18. Notices.

Unless otherwise specifically stated elsewhere in this Agreement, any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, mailed by certified or registered mail, postage prepaid, return receipt requested, or sent via a nationally recognized overnight delivery service, or sent by email (with a confirming copy mailed) to the respective parties at the following addresses or facsimile unless and until a different address or e-mail has been designated by written notice to the other party:

NOTICES TO Franchisor: CareDiem Franchising, LLC
1540 E. Dundee Road, Suite 100
Palatine, IL 60074
ATTN: _____
e-mail: _____

NOTICES TO FRANCHISEE: _____

ATTN: _____
e-mail: _____

Any notice shall be deemed to have been given at the earlier of actual receipt or three business days after mailing by certified or registered mail, or one business day after sending by facsimile or overnight delivery service.

Article 19. Dispute Resolution.

19.1 **Mediation.** In the event of any unsettled claims, disputes, or controversies between Franchisor and Franchisee, and other matters arising between them relating to this Agreement, the dealings or relationship between them, or Franchisee’s development or operation of the Franchised Business (“**Dispute**”), either party has the option of initiating a mediation procedure by submitting a written request for mediation to the American Arbitration Association in accordance with the Commercial Mediation Rules.

A. The mediation process shall begin promptly, but in no event later than thirty (30) days after cessation of negotiations between the parties, and shall be concluded within thirty (30) days of the day the request for mediation is made, unless the parties mutually agree otherwise.

B. Mediation shall be private, voluntary, and nonbinding. Any party may withdraw from the mediation at any time before signing a settlement agreement upon written notice to each other party and to the mediator. The mediator shall be neutral and impartial. The mediator's fees shall be shared equally by the parties. The mediator shall be disqualified as a witness, consultant, expert, or counsel for either party with respect to the matters in Dispute and any related matters.

C. Unless the parties agree otherwise, the entire mediation process shall be confidential and without prejudice. The parties and the mediator shall not disclose any information, documents, statements, positions, or terms of settlement. Nothing said or done or provided by the parties in the course of mediation shall be reported or recorded or, except as ordered by a court of competent jurisdiction, placed in any legal proceeding or construed for any purpose as an admission against interest. Nevertheless, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in mediation.

D. All mediation proceedings shall take place in the city and state where Franchisor maintains its principal place of business at the time of mediation.

E. The commencement of any mediation shall not act to prevent either party from instituting or proceeding with any action which may be the subject of the Dispute.

19.2 Temporary Restraining Orders and Injunctive Relief. Notwithstanding anything to the contrary contained in this Article, Franchisee and Franchisor each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. Franchisee acknowledges that a proper case to obtain temporary restraining orders and temporary or permanent injunctive relief from a court of competent jurisdiction shall include, but not be limited to, the following:

A. Any Dispute involving actual or threatened disclosure or misuse of the contents of the Manual or any other confidential information or Trade Secrets of Franchisor;

B. Any Dispute involving the ownership, validity, use of, or right to use or license the Proprietary Marks;

C. Any action by Franchisor to enforce the covenants set forth in Article 11 and Article 13 of this Agreement; and

D. Any action by Franchisor to stop or prevent any threat or danger to public health or safety resulting from the development or operation of the Franchised Business. The provisions of this Article are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

19.3 Litigation. The parties acknowledge that Franchisor operates, or intends to operate, a nationwide franchise system, with franchisees located in numerous different states and in numerous counties and cities within such states. Accordingly, the parties hereby agree that in view of the fact that the books, records, and business personnel of Franchisor are located, for the most part, in Cook County, Illinois, and in order to minimize disruption or interference with operation of the franchise system as a whole, the parties agree as follows:

A. Any and all court proceedings arising from or relating in any manner to any dispute between Franchisor and Franchisee arising out of, relating to or referencing this Franchise Agreement or its breach in any way, shall be brought in, and only in, a state court of general jurisdiction sitting in the county and state, or in the United States District Court for the District of Northern Illinois in which Franchisor has its principal place of business at the time any such action is instituted, and Franchisee irrevocably submits to the jurisdiction of such courts and waive any objection Franchisee may have to either the jurisdiction or venue of such court. No individual shall be joined as a party to such proceedings if such joinder has the effect of destroying federal court jurisdiction unless that individual or entity is a necessary party to the proceeding as a matter of law.

B. THE PARTIES AGREE THAT ALL DISPUTES ADMITTED TO THE COURT PURSUANT TO THIS PROVISION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

C. NO PUNITIVE OR EXEMPLARY DAMAGES SHALL BE AWARDED AGAINST EITHER FRANCHISOR OR FRANCHISEE OR ANY AFFILIATES OF EITHER OF THEM, IN ANY PROCEEDING, AND ALL CLAIMS TO SUCH DAMAGES ARE HEREBY WAIVED.

19.4 **Statute of Limitations.** Franchisor and Franchisee agree that no form of action or proceeding permitted hereby will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this Agreement or otherwise, unless the proceeding is brought before the expiration of the earlier of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation; or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation. Notwithstanding the foregoing, where state or federal law mandates or makes possible by notice or otherwise a shorter period, such shorter period shall apply in all cases, in lieu of the time specified in (i) or (ii) above.

19.5 **Franchisor's Business Judgment.** The parties hereto recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe the right of Franchisor to take (or refrain from taking) certain actions in the exercise of its discretion based on its assessment of the overall best interest of the network and/or franchise program. Where such discretion has been exercised, and is supported by the business judgment of Franchisor, neither a mediator nor a judge shall substitute his or her judgment for the judgment so exercised by Franchisor.

19.6 **Legal Fees.** In the event Franchisor incurs legal fees or costs or other expenses to enforce any obligation of Franchisee hereunder, or to defend against any claim, demand, action or proceeding by reason of Franchisee's failure to perform or observe any obligation imposed upon Franchisee by this Agreement, then Franchisor shall be entitled to recover from Franchisee the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any obligation of Franchisee hereunder or thereafter or otherwise.

19.7 **No Class Action.** Any disagreement between Franchisee and Franchisor (and Franchisor's Affiliates) will be considered unique as to its facts and must not be brought as a class action, and Franchisee waives any right to proceed against Franchisor (and Franchisor's

Affiliates, owners, officers, directors, managers, employees, agents, successors and assigns) by way of class action, or by way of a multi-plaintiff, consolidated or collective action.

Article 20. Construction and Modification.

20.1 Entire Agreement and Amendment. Franchisor and Franchisee each acknowledge and warrant to each other that they wish to have all terms of their business relationship defined in this written Agreement. Neither Franchisor nor Franchisee wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Franchisee agree that this Agreement, together with any other documents or agreement executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as presentations, inducements, promises, agreements, or any other term), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on his or her behalf, which might be taken to constitute agreements, representations, inducements, promises, or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and Franchisor and Franchisee each agree that they have placed, and will place, no reliance on any such discussions, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights, and obligations of the parties with respect to any aspect of the relationship between the parties. No future franchise license rights or offer of franchise license rights have been promised to Franchisee and no such franchise license rights or offer of franchise license rights shall come into existence, except by means of a separate writing, executed by an officer of Franchisor or such other entity granting the Franchise Agreement and specifically identified as a modification of this Agreement. No change, modification amendment or waiver of any of the provisions hereof, including by custom or usage of trade or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto, and signed by the party to be charged.

20.2 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement and the relationship between Franchisor and Franchisee will be interpreted and construed in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law provisions, provided that any nothing in this Section is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of such state to which this Agreement would not otherwise be subject. If applicable law provides Franchisee with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Franchisor will comply with the requirements of such laws to the extent they exceed Franchisor's obligations under this Agreement.

20.3 Survival. Should any one or more parts of this Agreement be declared invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portions of the Agreement, which shall remain in full force and effect as if the Agreement had been executed without such invalid parts, except to the extent the absence of the provisions invalidated would frustrate or make it impossible to achieve the purposes for which the Agreement was made. Should the requirements of any applicable law or regulation change or modify the terms of this Agreement or conflict with its provisions, such change or modification

shall not be applicable to this Agreement unless such change is lawfully mandated by the authority making the same, in which case only the provisions affected by such law or regulation shall be affected, and the Agreement shall otherwise remain in full force and effect, as modified to be consistent with such law or regulation.

20.4 Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein shall create any right to rely upon the terms hereof in favor of any third party nor confer any right or remedy upon any third party, except as specifically provided in Section 11.2 of this Agreement.

20.5 Captions. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provisions hereof.

20.6 Gender. All terms and words used in this Agreement, regardless of numbers and genders in which they are used, shall be deemed to include singular or plural and all genders as the context or sense of this Agreement or any paragraph or clause herein may require.

20.7 Joint and Several. All acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

20.8 Time is of the Essence. Time is of the essence of this Agreement and all provisions hereof shall be so interpreted. Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive such termination or expiration.

20.9 Remedies Not Exclusive. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

20.10 Franchisor's Representatives. In all of their dealings with Franchisee, the members, managers, officers, employees, directors, and/or agents of Franchisor act only in a representative capacity, not in an individual capacity, and that this Agreement and all business dealings between Franchisee and such individuals as a result of this Agreement are solely between Franchisee and Franchisor.

Article 21. Execution of Agreement.

21.1 Multiple Counterparts. This Agreement may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

21.2 No Inconsistent Warranties or Representations. By signing this Agreement, Franchisee acknowledges that that no agent or employee of Franchisor is authorized to make any representation or warranty inconsistent with or in addition to the terms of this

Agreement. By signing this Agreement, Franchisee represents and warrants to Franchisor that no such representation or warranty, including specifically any representation as to the potential success or profitability of the Franchised Business, has been made or relied upon.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement as of the day and year first above written.

“Franchisor”

“Franchisee”

CAREDIEM FRANCHISING, LLC
An Illinois limited liability company

[FRANCHISEE],
A _____

By: _____

By: _____

Its: _____

Its: _____

OWNERS' ACKNOWLEDGEMENT

Each following party is an owner of Franchisee. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner of Franchisee mentioned in this Agreement, including rights and obligations relating to confidentiality, competition, and transfers.

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

FRANCHISEE GUARANTY

In consideration of, and as an inducement to CareDiem Franchising, LLC (“**Franchisor**”), to enter into the foregoing Franchise Agreement with _____ (“**Franchisee**”) dated _____ (“**Franchise Agreement**”), the undersigned individually and, if more than one guarantor, jointly and severally, guarantee the punctual payment and performance of all obligations of the Franchisee under the Franchise Agreement and any documents, agreements, instruments and promissory notes executed pursuant to or in connection with the Franchise Agreement (“**Franchise Documents**”). This shall be an unconditional, irrevocable, and continuing guaranty for the entire term of this Guaranty and the Franchise Agreement.

The undersigned agree that they are willing to remain fully bound by this Guaranty notwithstanding any action or inaction of Franchisor and Franchisee in connection with the Franchise Agreement, and that their obligation shall not be modified, waived, or released by any modification, amendment, or departure from the terms of the Franchise Agreement, or by any forbearance, extension of time, waiver, or release granted by Franchisor to Franchisee or any guarantor or with respect to any security held by Franchisor. The undersigned expressly waive any and agree to pay and perform the obligations of Franchisee without notice or demand from Franchisor and without any requirement that Franchisor first proceed against Franchisee or any other guarantor.

The undersigned waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (iii) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed;
- (iv) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (v) any and all other notices (including, without limitation, notice of amendment or modification of the Franchise Agreement, notice of default or termination, and any other notices required by the Franchise Agreement) and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- (i) the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;
- (ii) the undersigned will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

- (iii) this Guaranty will apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- (iv) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
- (v) such liability will not be diminished, relieved or otherwise affected by any extension of time, creditor or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied; and
- (vi) will pay Franchisor's court costs and reasonable attorney's fees in enforcing or collecting on this Guaranty.

All capitalized terms when used herein will have the meaning ascribed to them in the Franchise Agreement.

This Owner's Guaranty will be governed, construed and interpreted in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the _____ day of _____, 20 ____.

WITNESS(ES):

GUARANTOR(S):

Print or Type Name

Print or Type Name

Signature

Signature

Print or Type Name

Print or Type Name

Signature

Signature

SPOUSAL CONSENT

The undersigned spouse of Guarantor hereby consents to the execution of the foregoing Guaranty by their spouse and agrees to be bound thereby to the extent of their interest in any assets or property of Guarantor and further agrees that their community assets shall be bound thereby. This consent shall not be construed as an agreement by the undersigned spouse that such spouse's separate property is subject to the claims of Franchisor arising out of enforcement of this Guaranty.

Print or Type Name

Signature

EXHIBIT A
CAREDIEM FRANCHISING, LLC
FRANCHISE AGREEMENT

Approved Location*

Street Address: _____
City: _____ State: _____ Zip Code: _____

*) The initial Approved Location is only approved for the first year of operation after the Licensure Date. Franchisee is required to submit an application for a new Approved Location that complies with then current System standards no later than sixty (60) days before the first anniversary of the Licensure Date.

EXHIBIT B
CAREDIEM FRANCHISING, LLC
FRANCHISE AGREEMENT

Owners of Franchisee

<u>NAME OF OWNER</u>	<u>VOTING RIGHTS IN FRANCHISEE</u>	<u>BENEFICIAL INTEREST IN FRANCHISEE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
<u>TOTAL</u>	<u>100%</u>	<u>100%</u>

PRINCIPAL OWNER

Name: _____

Address: _____

E-mail: _____

Telephone: _____

EXHIBIT C

CAREDIEM FRANCHISING, LLC

FRANCHISE AGREEMENT

Territory Map

[Insert Map or Maps Here]

EXHIBIT D

CAREDIEM FRANCHISING, LLC

TERRITORY TO BE DETERMINED ADDENDUM

THIS TERRITORY TO BE DETERMINED ADDENDUM TO FRANCHISE AGREEMENT (“Addendum”) is made and entered into at Palatine, Illinois this ____ day of _____, _____, by and between CareDiem Franchising, LLC, an Illinois limited liability company (hereinafter referred to as “Franchisor”), and _____ (hereinafter referred to as “Franchisee”) whose principal business address is _____.

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the “Franchise Agreement”) of even date hereof; and

WHEREAS, the location where Franchisee shall construct a Location under the Franchise Agreement has not yet been identified;

NOW, THEREFORE, the parties agree as follows:

The following provisions shall amend and be incorporated into the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of the Addendum, the terms of this Addendum shall control. All capitalized terms not defined in this Addendum shall have the respective meanings set forth in the Franchise Agreement.

1. Notwithstanding anything to the contrary in the Franchise Agreement, the parties agree, that Franchisee shall select an approved Territory for approval by Franchisor no later than on _____, 20____, and that Franchisee shall submit a completed application for a territory for Franchisor’s approval on or before _____, 20____. Such Territory must be in a state where Franchisor is registered to offer and sell franchises. Franchisee’s failure to meet either one of these deadlines shall constitute a default under the Franchise Agreement allowing Franchisor to terminate the Franchise Agreement effective immediately upon notice of termination.

2. Any deadlines set forth in the Franchise Agreement for opening the Franchised Business will be determined based on the date that Franchisor approves the Franchisee’s Territory.

3. To the extent not amended herein, all other terms and conditions of the Franchise Agreement shall remain in full force and effect. No references to the amendments contained herein need be made in any instrument or document at any time referring to the Franchise Agreement and any such reference is deemed to be a reference to the Franchise Agreement as amended by this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum as of the day and year first above written.

FRANCHISEE:

CAREDIEM FRANCHISING, LLC,

A _____ [limited liability company]

An Illinois limited liability company

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT E

**CAREDIEM FRANCHISING, LLC
FRANCHISE AGREEMENT**

DIRECT DEBIT AUTHORIZATION AGREEMENT

(Name of Person or Legal Entity)

(ID Number)

The undersigned depositor ("**Depositor**") ("**Franchisee**") hereby authorizes CAREDIEM FRANCHISING, LLC, ("Franchisor") or any of its affiliates to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") ("Bank") to debit or credit such account(s) pursuant to Franchisor's instructions.

Depository

Branch

City

State

Zip Code

Bank Transit/ABA Number

Account Number

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

Depositor

Depository

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT F

CAREDIEM FRANCHISING, LLC CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (“Agreement”), dated _____, _____, is made by and between CareDiem Franchising, LLC, an Illinois limited liability company, with its principal office at 1540 E. Dundee Road, Suite 100, Palatine, IL 60074 (“Franchisor”), and _____, located at _____ (“Recipient”).

Recitals

On _____, 20____, Franchisor and _____ (“**Franchisee**”) entered into a Franchise Agreement to operate an CareDiem Home Care franchised business (the “Franchised Business”) (“**Franchise Agreement**”). Recipient is either an owner of Franchisee (each, an “**Owner**”), or one of Franchisee’s officers, directors, managers, employees, or agents.

Under the Franchise Agreement, Franchisor has agreed to provide Confidential Information, as that term is defined in the Franchise Agreement and below, to Franchisee solely on the condition that Franchisee and the Owners of Franchisee agree that Franchisee (if an individual), its Owners (if an entity), officers, directors, managers, employees and agents who have access to such Confidential Information sign a Confidentiality Agreement. Recipient agrees that the Confidential Information is being disclosed to them under the terms and conditions of this Agreement.

The Franchise Agreement also requires each of Franchisee’s shareholders, partners, members, officers, directors, managers, employees and agents to sign a covenant not to compete.

Terms and Conditions

NOW, THEREFORE, in consideration of the covenants and the promises herein contained, the parties agree as follows:

1. Recipient acknowledges and agrees that all Confidential Information he or she receives from Franchisor is confidential and proprietary information and trade secrets in which Franchisor has a proprietary interest. “Confidential Information” includes, by way of example, but not limitation, certain information relating to (i) proprietary services and products, formulas, client and supplier lists, product specifications, (ii) System standards, methods, procedures, and specifications, and methods of service and operations for Franchised Businesses, (iii) knowledge of sales and profit performance at any one or more Franchised Businesses, (iv) knowledge of test programs, concepts, or results relating to operating, new advertising and promotional programs, (v) sources of suppliers of services, products, and equipment, (vi) advertising, promotion, and marketing techniques, (vii) methods and information regarding the selection and training of managers and other employees for Franchised Businesses; and (viii) the Manual. Recipient will not acquire any interest in the Confidential Information learned by Recipient other than the right for Recipient to utilize the same in connection with ownership and/or operation of the its Franchised Business during term of the Franchise Agreement, including any renewal term or the term of any subsequent Franchise Agreement entered into between Franchisor and Franchisee, and the use or duplication of the Confidential Information in any other business or capacity will

constitute an unfair method of competition with Franchisor, its affiliates, and Franchisor's other franchisees.

2. Franchisor is disclosing the Confidential Information to Recipient solely on the condition that Recipient agree, and Recipient hereby agrees, that any Confidential Information received from Franchisor (a) shall only be used by Recipient for purposes of performing the Franchise Agreement, (b) will not be used by Recipient in any other business, manner or capacity, (c) will have its absolute confidentiality maintained by Recipient both during and after the term of the Franchise Agreement, including any renewal term, (d) will not be copied by Recipient without written authorization, and (e) will not be disclosed by Recipient to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Confidential Information to any third party, and further agrees to limit the dissemination of the Confidential Information within its own organization to individuals whose duties justify the need to know such Confidential Information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Confidential Information and to restrict its use solely to the purposes specified herein. Each other person receiving the Confidential Information must also sign a copy of this Agreement.

3. Recipient acknowledges that no other right or license to use the Confidential Information is granted by this Agreement, and agrees that the amount of the Confidential Information to be disclosed to Recipient is completely within the discretion of Franchisor.

4. Recipient hereby agrees that any addition, modification, adaptation, improvement, refinement, discovery, invention or innovation of the System or any Proprietary Marks (collectively, a "**Business Improvement**") made by Franchisee or its employees or Owners shall be the sole and exclusive property of Franchisor, regardless of Franchisee's, its employee's or the Owners' participation or sole participation in its development, and shall be deemed assigned to Franchisor. Upon Franchisor's request, Recipient shall, and shall cause their employees and all owners to, execute any instruments and documents that Franchisor requests and shall assist Franchisor to perfect or protect all intellectual property rights in such Business Improvement. Recipient shall not be entitled to any compensation for the use or licensing of any Business Improvement.

5. Upon termination or expiration of the Franchise Agreement, or earlier if requested by Franchisor, Recipient will return all Confidential Information and the Manual (including any copies thereof that Franchisor may have permitted Recipient to make) to Franchisor.

6. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

7. Recipient acknowledges and agrees that Franchisor will suffer irreparable injury not capable of precise measurement in monetary damages if Recipient discloses or misuses any Confidential Information. Accordingly, in the event of a breach of this Agreement by Recipient, Recipient consents to entry of interim relief, including, without limitation, the entry of a temporary restraining order, preliminary injunction, permanent injunction, writ of attachment, appointment of a receiver, and any other equitable relief which the court deems necessary in order to prevent irreparable injury, all without the requirement that bond be posted. Recipient agrees that the award of equitable remedies to Franchisor in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Franchisor.

8. Recipient hereby agrees to indemnify, hold harmless and, upon request, defend Franchisor and its affiliates, and their respective members, owners, shareholders, directors, officers, managers, employees and agents (the “**Indemnified Parties**”), from and against all suits, proceedings, assessments, losses, claims, demands or actions of any nature or kind whatsoever (“**Claims**”), directly or indirectly arising out of, or in any manner whatsoever associated or connected with the failure of Recipient to observe and perform his or her duties and obligations under this Agreement, and against any and all damages, costs, expenses and fees (including, without limitation, reasonable legal expenses and fees), losses, fines or penalties incurred by or on behalf of any of the Indemnified Parties in the investigation or defense of any and all Claims.

9. All terms not otherwise defined in this Agreement shall have the same meanings as the defined terms in the Franchise Agreement.

10. This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law principles.

11. This Agreement together with the Franchise Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the disclosure of Confidential Information to Recipient and Recipient’s non-competition obligations, and shall not be amended except under a written agreement executed by each of the parties hereto. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year first above written.

Recipient:

Print Name: _____

Position with Franchisee: _____

Franchisor:

CAREDIEM FRANCHISING, LLC

By: _____

Name: _____

Its: _____

EXHIBIT G

COVENANT AGREEMENT

THIS COVENANT AGREEMENT (this "Agreement") is entered into as of the ___ day of _____, 20__, by and among CAREDIEM FRANCHISING, LLC ("Franchisor") and _____, _____, and _____ (whether one or more "Covenantors").

WITNESSETH:

WHEREAS, Covenantors have agreed to enter into this Agreement to induce Franchisor to enter into that certain Franchise Agreement ("Franchise Agreement") dated _____, 20__, between Franchisor and _____ ("Franchisee"); and

WHEREAS, Covenantors and its Affiliates have entered into, or may in the future enter into other franchise agreements with Franchisor ("Other Agreements");

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the Covenantors covenant and agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the same meaning as defined in the Franchise Agreement.
2. The Covenantors shall not, either directly or indirectly, individually, or through, or on behalf of, or in conjunction with any person, persons, or entity:
 - a. During the term of the Franchise Agreement, the Other Agreements and thereafter, except as otherwise approved in writing by Franchisor, copy or disclose to any person other than Franchisee's employees (and then only to employees who have a need to know) (i) any Trade Secrets, (ii) any knowledge, information or know-how concerning the System, or (iii) all or any portion of the Manual or any other confidential materials, including without limitation, the design of various elements of the Franchised Business, methods of operation and service of Franchised Businesses, intranet, knowledge of sales and profit performance at any one or more Franchised Businesses, and advertising and promotional programs, advertising, promotion and marketing techniques, the selection and training of managers and, in general, methods, techniques, formulas, formats, specifications, procedures, information systems and knowledge, in the operation and licensing of Franchised Businesses, or other materials deemed confidential by Franchisor. Covenantors shall at all times treat the Trade Secrets and Manual and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential and shall use the same only in the operation of the Franchised Business. The Trade Secrets and Manual shall at all times remain the sole property of Franchisor, and shall be returned to Franchisor immediately upon expiration or termination of this Agreement. Any and all information, knowledge, know-how, and other data, that Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Covenantors can demonstrate came to their attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure

by Franchisor to Covenantors, had become a part of the public domain, through publication or communication by others.

- b. During the term of the Franchise Agreement or any Other Agreement, compete, or be associated, directly or indirectly as an owner, officer, director, employee, consultant, or otherwise, in any Competitive Business, and, for a period of two (2) years after any transfer or termination of any Franchise Agreement or any Other Agreement for any reason, Covenantors shall not compete, or be associated, directly or indirectly as an owner, officer, director, employee, consultant, or otherwise, in any Competitive Business that is located within the continental United States. For purpose of this Section 2, the term "Competitive Business" means any business that provides in-home care or non-medical personal and companion care services; provided, however, that passive ownership of less than 2% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Section.
- c. During the term of the Franchise Agreement or any Other Agreement, employ or seek to employ any person who is or was within the immediate past six (6) months employed in a management capacity by Franchisor, any other System franchisee (except for System franchisees who are Affiliates of any Covenantor, or induce or seek to induce any such person to leave his or her employment. Franchisor shall not employ or seek to employ any person who is or was within the immediate past six (6) months employed by Franchisee or induce or seek to induce any such person to leave his or her employment. Any party violating the provisions of this Section 2.c shall pay to the former employer as liquidated damages (which the parties agree are difficult of ascertainment) an amount equal to two (2) times the annual salary of the employee involved, plus all costs and attorneys' fees incurred by the former employer in connection with such default. The parties hereto agree that each current and future Franchisee in the System shall be a third party beneficiary of the provisions of this Section 2.c, and shall be entitled to enforce the provisions hereof. Franchisor shall have no obligation to enforce the provisions of this Section 2.c for the benefit of any current or future franchisee in the System.

3. In the event any provision of this Agreement is deemed by a court of competent jurisdiction to be more restrictive than permissible at law or equity, the Covenantors agree that the provisions hereof may be reformed and modified and enforced by such court to the maximum extent permissible under applicable law and principles of equity. Covenantors agree that specific performance and injunctive relief are necessary and appropriate remedies for violations of this Agreement and agrees to enforcement of such remedies, but without prejudice to the right of Franchisor to recover money damages, which are in no event a full and adequate remedy for such violations.

4. The Covenantors agree that the existence of any claim that any of them may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of this Agreement or the covenants contained in Article 11 of the Franchise Agreement. In the event that Covenantors commence any action against Franchisor arising out of or related to this Agreement, or the dealings or relationship of the parties hereunder or otherwise, such action shall be brought only in any state court of general jurisdiction sitting in the county and state, or in the United States District Court for the district, in which Franchisor has its principal place of business at the time any such action is instituted. Covenantors consent to the exercise of jurisdiction by such courts

over any claims or counterclaims against Covenantors. In the event Franchisor incurs legal fees or costs or other expenses to enforce any obligation of Covenantors hereunder, or to defend against any claim, demand, action or proceeding by reason of Covenantors' failure to perform or observe any obligation imposed upon Covenantors by this Agreement, then Franchisor shall be entitled to recover from Covenantors the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any obligation of Covenantors hereunder or thereafter or otherwise.

5. This Agreement and the documents provided for herein contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, agreements, and understandings with respect thereto, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement may only be amended by a written document duly executed by all parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to the rules governing conflicts of law. This Agreement shall inure to the benefit of and shall be binding upon the respective successors, heirs, administrators, executors, personal representatives, trustees, and assigns of the parties hereto. This Agreement may be executed in multiple counterparts, each considered an original, but all of which shall constitute but one Agreement. Capitalized used herein but not defined shall have the meaning set forth in the Franchise Agreement between Franchisor and Franchisee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

“Franchisor”

“Recipient” (each in their individual capacity)

CAREDIEM FRANCHISING, LLC,
An Illinois limited liability company

BY: _____

NAME: _____

ITS: _____

NAME: _____

NAME: _____

NAME: _____

EXHIBIT H

ADDENDUM TO LEASE

This Addendum to Lease ("Addendum") entered into this ____ day of _____, 20__, by and between _____ ("Franchisee") and _____ ("Landlord") for the premises located at _____;

WHEREAS, Franchisee has executed a Franchise Agreement ("Franchise Agreement") with CAREDIEM FRANCHISING, LLC ("Franchisor"), and as part of said Franchise Agreement, the lease ("Lease") for the offices of the franchised business ("Franchised Business") must contain certain provisions; and

WHEREAS, Landlord and Franchisee agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, Landlord and Franchisee hereby agree as follows:

1. Landlord agrees that Franchisee will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of Franchisor.
2. Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease at the same time that such letters and notices are sent to Franchisee. Landlord further agrees that, if it intends to terminate the Lease, the Landlord will give Franchisor 30 days' advance written notice of such intent, specifying in such notice all defaults that are the case of the proposed termination. Franchisor will have after the expiration of the period during which Franchisee may cure such default, an additional 15 days (or if there is no cure period, at least 15 days) to cure, at its sole option, any such defaults. Franchisor, or an affiliate of Franchisor, will have the right, but not obligation, upon giving written notice of its election to Franchisee and Landlord, to cure the breach and succeed to Franchisee's rights under the Lease, and any renewals or extensions thereof.
3. Upon default, expiration or termination of the Franchise Agreement or the Lease, and upon notice to Landlord, Franchisor or its designee will have the option, without however any obligation, to assume the Franchisee'S obligations under the Lease, on the same terms and conditions available to the Franchisee. Further, if Franchisee or any other party with an interest in Franchisee transfers to Franchisor or another party all of its or their interest in the Franchise Agreement, the Franchisee or the Franchised Business, the transferee will have the right to assume the Lease on the same terms and conditions as are contained in the Lease.
4. Franchisor will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect Franchisor's interest in its proprietary marks. Landlord agrees that in such event Franchisor will not be liable for trespass or any other crime or tort. Further, Franchisor or its designated agents will be permitted to enter the leased premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.
5. Franchisee may assign to Franchisor all of its rights of further assignment at any time if the Landlord is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by Franchisor.

6. Upon request of Franchisor, the Landlord will provide Franchisor with copies of all reports, information, or data in Landlord's possession with respect to sales made from the leased premises.

7. Copies of any and all notices pertaining to the Lease will also be sent to Franchisor at the following address, or at such other address as may be designated by Franchisor in writing:

1540 E. Dundee Road, Suite 110
Palatine, IL 60074

8. Franchisor will be a third-party beneficiary of this Addendum and has the right independently of Franchisee to enforce all of its rights hereunder.

9. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Addendum will govern.

FRANCHISEE:

LANDLORD

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT I
STATE ADDENDUM

[Insert State Addendum if applicable]

EXHIBIT E
STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

**MULTI-STATE AMENDMENT
TO FRANCHISE AGREEMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Amendment pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where the SOP, because applicable jurisdictional requirements are not met, does not subject the parties to the provisions of the SOP. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. The following language is added immediately before the signature block of the Franchise Agreement:

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

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____
Its: _____
Date of signature: _____

By: _____
Its: _____
Date of signature: _____

**CALIFORNIA AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of California that are subject to the California Franchise Investment Law (the "Act") and is for the purpose of complying with California statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act, as set forth in this Amendment, or otherwise. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. The following language is added as new Section 21.3 of the Franchise Agreement:

"No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise, except for the "Entire Agreement" provision in Section 20.1 of the Franchise Agreement."

Notwithstanding anything to the contrary in this Agreement, and to the extent required by California Corporations Code Section 31512.1, any provision in this Agreement, the franchise disclosure document, and any other acknowledgement, questionnaire, or other writing, disclaiming or denying: (a) representations made by Franchisor or its personnel or agents to Franchisee before entering into the Franchise Agreement; (b) reliance by Franchisee on any representations made by Franchisor, or its personnel or agents; (c) reliance by Franchisee on the franchise disclosure document; or (d) violations of any other provision of the Act [that will be a reference to the California franchise law]; is void and will not be enforced by Franchisor."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

Date of signature: _____

Date of signature: _____

**ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

2. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

3. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

4. No statement, questionnaire or acknowledgment signed or agreed to by an 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Illinois law governs the Franchise Agreement.

Dated: _____

Franchisor:

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

MARYLAND AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the “Act”) and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20____, will be amended as follows:

1. The following language is added to Section 3.2 of the Franchise Agreement:

“, except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
2. The following language is added to Section 13.10.B of the Franchise Agreement:

“, except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
3. The following language is added to the end of Section 19.3.A of the Franchise Agreement:

“Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law.”
4. The following language is added to the end of Section 19.4 of the Franchise Agreement:

“all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise.”
5. The following language is added to Sections 3.2 and 13.10.B of the Franchise Agreement:

“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.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By: _____
Its: _____
Date of signature: _____

By: _____
Its: _____
Date of signature: _____

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the “Act”) and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 11.4 of the Franchise Agreement is amended to add the following language.

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. Section 14.1.D of the Franchise Agreement is amended to read as follows:

“At the election of Franchisor, Franchisor may terminate the Agreement effective upon the expiration of 90 days after giving of written notice in the event Franchisee defaults, and does not cure to Franchisor’s reasonable satisfaction within the 60-day notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any six month period, and any subsequent occurrence of the same or substantially similar default within such six month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure.”

3. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 14.1.D of the Franchise Agreement is amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.”

5. Section 19.3.A of the Franchise Agreement is amended as follows:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”

6. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 19.3.B of the Franchise Agreement is amended as follows:

“Nothing contained herein shall limit Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J.”

7. Minn. Rule 2860.4400J. prohibits requiring a franchisee to consent to liquidated damages.

8. Section 19.4 of the Franchise Agreement is amended to add the following:

“Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement as of the day and year set forth above.

Franchisor:

DATED: _____

By: _____
Its: _____

Franchisee:

DATED: _____

By: _____
Its: _____

**NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain _____ Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the license occurred in New York.

2. The following is added as a new Section 14.5 of the Franchise Agreement:

"Franchisee may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 3.2.I of the Franchise Agreement:

"This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:

Franchisee:

By: _____

Its: _____

Date of signature: _____

By: _____

Its: _____

Date of signature: _____

NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The Franchise Agreement between _____ ("Franchisee" or "You") and _____ ("Franchisor") dated as of _____, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota

must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its Owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20____.

Franchisor:

By: _____
Its: _____

Franchisee:

By: _____
Its: _____

**RHODE ISLAND AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20____ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: _____, _____.

Franchisor:

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

**VIRGINIA AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, ____, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 14.1 of the Franchise Agreement is amended by adding the following language:

"§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

Dated: _____

Franchisor:

By: _____
Its: _____

Franchisee:

By: _____
Its: _____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

2. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise

agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20__.

Franchisor:

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT F
TABLE OF CONTENTS OF OPERATIONS MANUAL

EXHIBIT G
LIST OF FRANCHISEES

As of December 31, 2024:

Franchisee	Street Address	City	State	Telephone Number
Hartmann Healthcare, LLC	953 S. Daybreak Lane	Round Lake	Illinois	847-596-8477

EXHIBIT H
FRANCHISEES WHO LEFT THE SYSTEM OR HAVE NOT COMMUNICATED

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The following franchisees left our system in our last fiscal year, or did not communicate with us within 10 weeks of the issuance date of this disclosure document:

NONE

EXHIBIT I
FINANCIAL STATEMENTS

Audited Financial Statements



CAREDIEM FRANCHISING, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024



CAREDIEM FRANCHISING, LLC

Table of Contents

	<u>Page</u>
Independent auditor’s report.....	3
Balance sheet	5
Statement of operations	6
Statement of members’ interests.....	7
Statement of cash flows.....	8
Notes to the financial statements	9



Independent Auditor's Report

To the Members
Carediem Franchising, LLC
Palatine, IL

Opinion

We have audited the accompanying financial statements of Carediem Franchising, LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, members' interests, 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 Carediem Franchising, LLC as of December 31, 2024, and the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The financial statements of Carediem Franchising, LLC for the period from inception (January 2, 2024) to January 19, 2024, were previously audited by us, and our report dated March 5, 2024 expressed an unqualified opinion on those financial statements. The financial statements presented in this report cover and supersede those previously issued on March 5, 2024 through the period ended January 19, 2024. Our opinion is not modified in respect of this 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas $\frac{3}{4}$ Dunlavy

St. George, Utah
April 22, 2025

CAREDIEM FRANCHISING, LLC

Balance Sheet

As of December 31, 2024

	<u>2024</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 19,260
Total current assets	<u>19,260</u>
Total assets	<u><u>\$ 19,260</u></u>
Liabilities and Members' Interests	
Current liabilities	
Accrued expense	\$ 13,395
Credit cards payable	9,078
Total current liabilities	<u>22,473</u>
Total liabilities	<u>22,473</u>
Members' interests	<u>(3,213)</u>
Total liabilities and members' interests	<u><u>\$ 19,260</u></u>

The accompanying notes are an integral part of the financial statements.

CAREDIEM FRANCHISING, LLC

Statement of Operations

For the year ended December 31, 2024

	<u>2024</u>
Operating revenue	\$ -
Operating expenses	
Marketing expenses	53,611
Payroll expense	47,204
Professional fees	44,087
Contract labor	30,797
General and administrative	1,480
Total operating expenses	<u>177,179</u>
Net loss	<u>\$ (177,179)</u>

The accompanying notes are an integral part of the financial statements.

CAREDIEM FRANCHISING, LLC

Statement of Members' Interests

For the year ended December 31, 2024

Balance as of January 1, 2024	\$	-
Member contributions		173,966
Net loss		<u>(177,179)</u>
Balance as of December 31, 2024	\$	<u><u>(3,213)</u></u>

The accompanying notes are an integral part of the financial statements.

CAREDIEM FRANCHISING, LLC

Statement of Cash Flows

For the year ended December 31, 2024

	<u>2024</u>
Cash flow from operating activities:	
Net loss	\$ (177,179)
Adjustments to reconcile net loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Accrued expense	13,395
Credit cards payable	9,078
Net cash used in by operating activities	<u>(154,706)</u>
Cash flows from financing activities:	
Contributions from members	173,966
Net cash provided by financing activities	<u>173,966</u>
Net change in cash and cash equivalents	19,260
Cash at the beginning of the period	-
Cash at the end of the period	<u>\$ 19,260</u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	\$ -

The accompanying notes are an integral part of the financial statements.

CAREDIEM FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Carediem Franchising, LLC (the “Company”) was organized as a limited liability company on January 2, 2024 in the state of Illinois. The Company was formed for the purpose of franchising a home care system. The members of the Company are protected by the limited liability structure afforded to limited liability companies under the laws of the state of Illinois. Pursuant to the state of Illinois regulations, members' personal liability for the debts, obligations, and liabilities of the Company is generally limited to their respective capital contributions to the Company.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Risks and Uncertainties

The Company has a limited operating history, making it challenging to assess its future performance based on historical results. There is no assurance that the Company will achieve or sustain profitability. The markets in which the Company operates may be highly competitive and subject to rapid technological advancements. In addition, the Company may face challenges in establishing and maintaining a competitive position, attracting customers, and adapting to changing market conditions. The success of the Company may be dependent on the skills, experience, and continued contributions of key personnel and the loss of key personnel could have a material adverse effect on the Company's operations and prospects.

(c) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2024, the Company had cash and cash equivalents of \$19,260.

CAREDIEM FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

(f) Revenue Recognition

The Company has adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company did not record any revenue during the year ended December 31, 2024.

(g) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Illinois. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024 no tax year was subject to examination.

(h) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, pre-paid expenses, and accounts payable the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(i) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

CAREDIEM FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

(2) Accrued Expenses

As of December 31, 2024, the Company has recognized accrued expenses of \$13,395, which represent obligations incurred but not yet paid as of the reporting date. The balance consists of legal expenses of \$10,537 and payroll expenses of \$2,858.

The Company recognizes accrued expenses based on an estimation of services received or obligations incurred in accordance with the accrual basis of accounting. Management evaluates these liabilities periodically to ensure accuracy and completeness. Any adjustments, if necessary, are recorded in the appropriate reporting period.

These accrued expenses are classified as current liabilities and are expected to be settled within the next year. The Company has assessed the reasonableness of these estimates and believes that the recorded amounts fairly represent the obligations as of the balance sheet date.

(3) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through April 22, 2025, the date on which the financial statements were issued.

EXHIBIT J
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (“Agreement”), dated _____, _____, is made by and between CareDiem Franchising, LLC, an Illinois limited liability company, with its principal office at 1540 E. Dundee Road, Suite 100, Palatine, IL 60074 (“Franchisor”), and _____, located at _____ (“Recipient”).

Recitals

On _____, _____, Franchisor and _____ (“Franchisee”) entered into a Franchise Agreement to operate a [type of franchised business] (the “Franchised Business”) at _____ (“Franchise Agreement”). Recipient is either an owner of Franchisee (each, an “Owner”), or one of Franchisee’s owners, shareholders, partners, members, officers, directors, managers, employees, or agents.

Under the Franchise Agreement, Franchisor has agreed to provide Confidential Information, as that term is defined in the Franchise Agreement and below, to Franchisee solely on the condition that Franchisee and the Owners of Franchisee agree that Franchisee (if an individual), its Owners (if an entity), officers, directors, members, partners, managers, employees and agents who have access to such Confidential Information sign a Confidentiality Agreement. Recipient agrees that the Confidential Information is being disclosed to him or her under the terms and conditions of this Agreement.

The Franchise Agreement also requires each of Franchisee’s shareholders, partners, members, officers, directors, managers, employees and agents to sign a covenant not to compete.

Terms and Conditions

NOW, THEREFORE, in consideration of the covenants and the promises herein contained, the parties agree as follows:

1. Recipient acknowledges and agrees that all Confidential Information he or she receives from Franchisor is confidential and proprietary information and trade secrets in which Franchisor has a proprietary interest. “Confidential Information” includes, by way of example, but not limitation, certain information relating to the operation of the Franchised Business including, without limitation, the standards, methods, procedures and specifications of the System, including the System Standards and the contents of the Operations Manual. Recipient will not acquire any interest in the Confidential Information learned by Recipient other than the right for Recipient to utilize the same in connection with ownership and/or operation of the its Franchised Business during term of the Franchise Agreement, including any renewal term or the term of any subsequent Franchise Agreement entered into between Franchisor and Franchisee, and the use or duplication of the Confidential Information in any other business or capacity will constitute an unfair method of competition with Franchisor, its affiliates, and Franchisor’s other franchisees.

2. Franchisor is disclosing the Confidential Information to Recipient solely on the condition that Recipient agree, and Recipient hereby agrees, that any Confidential Information received from Franchisor (a) shall only be used by Recipient for purposes of performing the Franchise Agreement, (b) will not be used by Recipient in any other business, manner or capacity, (c) will have its absolute confidentiality maintained by Recipient both during and after the term of

the Franchise Agreement, including any renewal term, (d) will not be copied by Recipient without written authorization, and (e) will not be disclosed by Recipient to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Confidential Information to any third party, and further agrees to limit the dissemination of the Confidential Information within its own organization to individuals whose duties justify the need to know such Confidential Information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Confidential Information and to restrict its use solely to the purposes specified herein. Each other person receiving the Confidential Information must also sign a copy of this Agreement.

3. Recipient acknowledges that no other right or license to use the Confidential Information is granted by this Agreement, and agrees that the amount of the Confidential Information to be disclosed to Recipient is completely within the discretion of Franchisor.

4. Recipient hereby agrees that any addition, modification, adaptation, improvement, refinement, discovery, invention or innovation of the System or any Proprietary Mark (collectively, a “**Business Improvement**”) made by Franchisee or its employees or Owners shall be the sole and exclusive property of Franchisor, regardless of Franchisee’s, its employee’s or the Owners’ participation or sole participation in its development, and shall be deemed assigned to Franchisor. Upon Franchisor’s request, Recipient shall, and shall cause his/her employees and all owners to, execute any instruments and documents that Franchisor requests and shall assist Franchisor to perfect or protect all intellectual property rights in such Business Improvement. Recipient shall not be entitled to any compensation for the use or licensing of any Business Improvement.

5. Upon termination or expiration of the Franchise Agreement, or earlier if requested by Franchisor, Recipient will return all Confidential Information and the Operations Manual (including any copies thereof that Franchisor may have permitted Recipient to make) to Franchisor.

6. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

7. Recipient acknowledges and agrees that Franchisor will suffer irreparable injury not capable of precise measurement in monetary damages if Recipient discloses or misuses any Confidential Information. Accordingly, in the event of a breach of this Agreement by Recipient, Recipient consents to entry of interim relief, including, without limitation, the entry of a temporary restraining order, preliminary injunction, permanent injunction, writ of attachment, appointment of a receiver, and any other equitable relief which the court deems necessary in order to prevent irreparable injury, all without the requirement that bond be posted. Recipient agrees that the award of equitable remedies to Franchisor in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Franchisor.

8. Recipient hereby agrees to indemnify, hold harmless and, upon request, defend Franchisor and its affiliates, and their respective members, owners, shareholders, directors, officers, managers, employees and agents (the “**Indemnified Parties**”), from and against all suits, proceedings, assessments, losses, claims, demands or actions of any nature or kind whatsoever (“**Claims**”), directly or indirectly arising out of, or in any manner whatsoever associated or connected with the failure of Recipient to observe and perform his or her duties and obligations under this Agreement, and against any and all damages, costs, expenses and fees

(including, without limitation, reasonable legal expenses and fees), losses, fines or penalties incurred by or on behalf of any of the Indemnified Parties in the investigation or defense of any and all Claims.

9. All terms not otherwise defined in this Agreement shall have the same meanings as the defined terms in the Franchise Agreement.

10. This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law principles.

11. This Agreement together with the Franchise Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the disclosure of Confidential Information to Recipient and Recipient's non-competition obligations, and shall not be amended except under a written agreement executed by each of the parties hereto. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year first above written.

Recipient:

Franchisor:

CAREDIEM FRANCHISING, LLC

By: _____

Print Name: _____

Name: _____

Position with Franchisee: _____

Its: _____

EXHIBIT K
GENERAL RELEASE

[If only the Franchisee is signing the Release, the language in bold and brackets referring to the Owner(s) should be deleted. If both Franchisee and its Owner(s) are signing the Release, the above referenced language should be left in the release, but should be taken out of the brackets and the bold type should be replaced by normal type.]

GENERAL RELEASE

This GENERAL RELEASE ("Release") is made this _____ day of _____, _____, by [Name of franchisee] ("Franchisee"), **[and [Name of owner(s)], ("Owner(s)"]**, with reference to the following facts:

The undersigned Franchisee is a signatory to that certain Franchise Agreement dated _____, _____ ("Franchise Agreement") by and between CAREDIEM FRANCHISING, LLC ("Franchisor") and Franchisee granting Franchisee the right to use the Franchisor's System and trademarks to operate the Franchised Business at a specific location.

[The undersigned Owner is an owner of the Franchisee.]

Franchisee **[and Owner each]** agrees that all capitalized terms in this Release shall have the meaning that is ascribed to them in the Franchise Agreement. This Release is being executed by the Franchisee **[and the Owner]** pursuant to the requirements of the Franchise Agreement. Franchisee **[and Owner each]** understands and agrees that execution of this Release is a condition of Franchisee's rights under the Franchise Agreement **[to renew the Franchise Agreement] [to transfer the Franchise Agreement]** and that Franchisee's **[or Owner's]** failure or refusal to execute this Release would result in Franchisee's breach of the Franchise Agreement. In consideration of the rights granted by the Franchise Agreement, Franchisee **[and Owner each]** executes this Release for the benefit of Franchisor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, FRANCHISEE **[AND OWNER EACH]** AGREES AS FOLLOWS:

1. General Release. Franchisee **[and Owner each]** hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, managers, employees, affiliates, successors and assigns (collectively the "Released Parties"), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Franchisee **[or Owner]** ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as "Claims"). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, **[neither]** Franchisee **[nor Owner]** shall have any Claim of any kind or nature whatsoever against the Released Parties, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. Waiver of Rights. **This Release is intended by Franchisee [and Owner] to be a full and unconditional general release and to constitute a full, unconditional and final**

accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee [or Owner] against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee [and Owner each], for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee [or Owner, as the case may be] would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship.

[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]

3. Waiver of Civil Code Section 1542. This Release is intended by Franchisee **[and Owner]** to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee **[and Owner]** against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee **[and Owner each]** hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee **[or Owner, as the case may be]** would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee **[and Owner each]** acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially effected his settlement with the debtor.”

In making this voluntary express waiver, Franchisee **[and Owner each]** acknowledges that Claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee **[and Owner, respectively]** to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee **[and Owner each]** acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. Release Not Admission. Franchisee **[and Owner each]** understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Franchisee **[and Owner each]** represents and warrants that Franchisee **[and Owner]** has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. **This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.**

IN WITNESS WHEREOF, Franchisee **[and Owner each]** has executed this Release on the date first shown above.

Franchisee:

[Owner:

(Signature)

By: _____
Name: _____
Its: _____

(Print Name)]

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This 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:

California	Not registered
Hawaii	Not registered
Illinois	Pending
Indiana	Pending
Maryland	Not registered
Michigan	Pending
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
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 L

RECEIPT PAGES

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 CareDiem Franchising, LLC 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.

New York requires 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 requires 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 CareDiem Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is CareDiem Franchising, LLC, located at 1540 E. Dundee Road, Suite 110 Palatine, IL 60074. Its telephone number is 1.800.301.6354.

The franchise seller is _____, located at _____.
His/her telephone number is _____.

The issuance date is April 23, 2025. The state effective dates are on an exhibit preceding this Receipt.

CareDiem Franchising, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated April 23, 2025 that included the following Exhibits:

- | | |
|---|---|
| A. List of State Administrators | F. Table of Contents of Operations Manual |
| B. Agents for Service of Process | G. List of Franchisees |
| C. State Addenda to FDD | H. Franchisees Who Left System or Have Not Communicated |
| D. Franchise Agreement, including Owner's Guaranty | I. Financial Statements |
| E. State Specific Amendments to Franchise Agreement | J. Confidentiality Agreement |
| | K. General Release |

Date: _____

Prospective Franchisee Signature
 Print Name: _____
 Address: _____

 Individually and as _____
 of _____

(Your Copy. Sign, date and retain.)

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 CareDiem Franchising, LLC 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.

New York requires 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 requires 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 CareDiem Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is CareDiem Franchising, LLC, located at 1540 E. Dundee Road, Suite 110 Palatine, IL 60074. Its telephone number is 1.800.301.6354.

The franchise seller is _____, located at _____.
His/her telephone number is _____.

The issuance date is April 23, 2025. The state effective dates are on an exhibit preceding this Receipt.

CareDiem Franchising, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated April 23, 2025 that included the following Exhibits:

- | | |
|---|---|
| A. List of State Administrators | F. Table of Contents of Operations Manual |
| B. Agents for Service of Process | G. List of Franchisees |
| C. State Addenda to FDD | H. Franchisees Who Left System or Have Not Communicated |
| D. Franchise Agreement, including Owner's Guaranty | I. Financial Statements |
| E. State Specific Amendments to Franchise Agreement | J. Confidentiality Agreement |
| | K. General Release |

Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____
of _____

(Sign, Date and Return to Us)