

## FRANCHISE DISCLOSURE DOCUMENT



Griswold International, LLC  
120 West Germantown Pike, Suite 200  
Plymouth Meeting, Pennsylvania 19462  
(effective July 1, 2020: 510 Township Line Road, Suite 210, Blue Bell, PA 19422)  
215-402-0200  
[www.GriswoldHomeCare.com](http://www.GriswoldHomeCare.com)  
[Franchising@GriswoldHomeCare.com](mailto:Franchising@GriswoldHomeCare.com)

The franchise offered is for the establishment and operation of a business which primarily matches carefully screened, credentialed individuals to clients seeking “Companion-Sitters” or “Caregivers” to provide personal care, homemaking, companion care, incidental transportation, and other ancillary, supportive services to older adults, and ill or disabled persons who need extra assistance with activities of daily living.

The total investment necessary to begin operation of a Griswold franchised business ranges from \$106,350 to \$133,100. This includes a total of \$63,750 that must be paid to Griswold International, LLC.

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 availability of the Disclosure Document in different formats contact Lorraine Sheak, [Lorraine@GriswoldHomeCare.com](mailto:Lorraine@GriswoldHomeCare.com), at 120 West Germantown Pike, Suite 200, Plymouth Meeting, PA 19462 (effective July 1, 2020, this address will be 510 Township Line Road, Suite 210, Blue Bell, PA 19422) and 267-776-4628.

The terms of your Franchise Agreement will govern your franchise relationship. Don’t rely on this Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP, or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: **April 30, 2020**

## How to Use This Franchise Disclosure Document

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

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

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 Pennsylvania. 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 Pennsylvania than in your own state.

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.

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- B-1. Franchise Agreement
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- I. Assignment and Assumption Agreement
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**ITEM 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, “GHC”, “we” or “us” means Griswold International, LLC, the franchisor. “You” means each person who buys the franchise, and includes your owners and principals if you are a corporation, limited liability company, or other business entity.

The identity and principal business address for GHC’s agent for service of process in your state is listed in Exhibit A to this Disclosure Document.

**A. The Company, and Any Parents, Predecessors and Affiliates**

GHC is a Delaware limited liability company formed on June 11, 2009. GHC’s principal business address is 120 West Germantown Pike, Suite 200, Plymouth Meeting, PA 19462 (effective July 1, 2020, this address will be 510 Township Line Road, Suite 210, Blue Bell, PA 19422). Our parent is Griswold Investors, LLC, a Delaware limited liability company formed on December 13, 2013 and with a principal business address of 375 Park Avenue, Suite 3408, New York, NY 10152.

On or about June 11, 2009, GHC purchased the assets of Griswold Special Care, Inc., Griswold Special Care International, LLC, and Special Care, Inc. (including its subsidiaries, Special Care of Pennsylvania, Inc. and Griswold Special Care of Pennsylvania, Inc.). Each of these predecessor companies were headquartered at 717 Bethlehem Pike, Suite 300, Erdenheim, PA 19038, with separate ownership and boards of directors.

- Griswold Special Care, Inc., a Delaware corporation, was formed May 6, 1986, and offered businesses similar to the Franchise in Connecticut, Delaware, Georgia, Florida, Massachusetts, Maryland, Michigan, New Jersey, South Carolina, and Tennessee from May 1986 until 2009. It also operated company-owned offices similar to the Franchise in Maryland and Virginia.
- Griswold Special Care International, LLC, a Delaware limited liability company, was formed April 4, 2000, and offered businesses similar to the Franchise in California, Illinois, Louisiana, Minnesota, North Carolina, Ohio, Rhode Island, Texas, Washington, Wisconsin and Vermont and operated a corporately owned office similar to the Franchise in Illinois, Maryland, and Virginia until 2009.
- Special Care, Inc. began operations in 1982 in Pennsylvania as a sole proprietorship, and incorporated as Special Care, Inc., a Pennsylvania corporation, on May 20, 1985. It operated offices similar to the Franchise in Pennsylvania. Griswold Special Care of Pennsylvania, Inc. (incorporated on November 12, 2002) and Special Care of Pennsylvania, Inc. (incorporated on April 7, 2004) offered businesses similar to the Franchise offered under this Disclosure Document in Pennsylvania until 2009.

We have been offering Griswold Franchises since 2009. In addition to offering Griswold Home Care franchises, we offered franchises from 2011 to 2012 for the operation of healthcare staffing businesses providing temporary and direct hire Registered Nurses, Licensed Practical Nurses, Licensed Vocational Nurses, Certified Nursing Assistants and other healthcare professionals to hospitals, long-term care facilities, government agencies, and other healthcare facilities and organizations under the mark “GHC Staffing.” We sold 1 GHC Staffing franchise during that period.

We have no other business activities and have not previously offered nor do we currently offer franchises in any other lines of business. Other than as disclosed in this Disclosure Document, there are no other

parents, predecessors, or affiliates of GHC that offer franchises in any line of business or provide products or services to the franchisees of GHC.

## **B. The Griswold Home Care Franchise**

We grant franchises for the establishment, development, and operation of a business (the “GHC Business” or “Franchise”) which primarily identifies people in need of assistance and matches them with carefully screened, credentialed individuals (“Caregivers”) who provide personal care, homemaking, companion care, incidental transportation, and other ancillary, supportive services (“Caregiver Services”) in a variety of settings under the *GRISWOLD HOME CARE* name and such other trademarks, trade names, service marks, logos, insignia, trade dress and designs that we may designate for use now or in the future (the “Marks”) and the GHC proprietary business system (the “System”). Currently, Caregiver Services do not include any medical services or services of a medical nature. However, if permitted by state law, we reserve the right to expand the Caregiver Services to include medical type services in the future. We refer to customers paying for Caregiver Services as “Clients” and to individuals receiving the Caregiver Services as “Care Recipients.” In addition, our franchisees also provide consultation to Clients and/or Care Recipients with respect to home care services. This identification, recruitment, placement, facilitation, and/or consultation comprise the franchisee services (the “Franchisee Services”). In this disclosure document, Caregiver Services and Franchisee Services are referred to collectively as the Services (the “Services”). Care Recipients generally include older or disabled adults needing assistance with daily activities including bathing, toileting, ambulation, medication prompts, incidental transportation, meal preparation and eating, and shopping and errands, as well as simple companionship and supervision for cognitively-impaired individuals. In order to become a franchisee, you must operate your business in accordance with our standards and specifications, and you must sign the Franchise Agreement, attached to this Disclosure Document as Exhibit B-1, the Collateral Assignment of Lease/Consent and Agreement of Lessor, attached to this Disclosure Document as Exhibit B-3, and the Conditional Assignment of Franchisee’s Telephone Number, attached to this Disclosure Document as Exhibit B-4. If you are a current Griswold franchisee, you will sign our current Franchise Agreement and our Addendum to Full Employment Franchise Agreement for Existing Franchisees, attached to this Disclosure Document as Exhibit B-2. If you will operate the Franchise through an entity, you will execute the Assignment and Assumption Agreement attached to this Disclosure Document as Exhibit I.

We offer franchises that operate under 1 of 2 “models” depending on the state in which your Franchise operates and other factors (the “Business Model”). This is because licensure requirements, state and federal employment classification and other laws vary. The current Business Models are:

- a) The Full Employment Business Model - The Business Model utilized by GHC Businesses in which franchisees directly hire Caregivers to provide Caregiver Services to Care Recipients; and
- b) The Registry Business Model - The Business Model utilized by GHC Businesses in which franchisees identify and refer independent Caregivers to Clients to provide Caregiver Services.

As of December 31, 2019, we had 14 company-owned units that were all operating under the Full Employment Business Model. We have been offering Registry Business Model franchises since our inception in 2009. We have been offering Full Employment Business Model franchises since 2016. We operated all of the company-owned units under the Registry Business Model until January 1, 2016, when most of our company units converted to the Full Employment Business Model. This Disclosure Document relates only to a Full Employment Business Model franchise. Which model we offer in a particular area depends on the laws applicable in your state, as well as, an analysis of applicable federal law. Additional information regarding changing state laws can be found in “D. Industry Specific

Regulations” in this Item 1, below, and remember that if state and/or federal law changes during the term of your Franchise, you may be required to change or adjust the Business Model.

### **C. Market and Competition**

The market for the Services of the type that GHC offers is well developed and you may face competition from a wide variety of sources, that include (depending on the type of Care Recipient): other home care companies; consulting firms; private employment agencies; home health agencies; au pair, nanny or babysitting services; staffing companies; home care registries; assisted living facilities; skilled nursing facilities; hospitals; and private individuals offering non-agency affiliated similar services to the public.

### **D. Industry Specific Regulations**

You must obtain and maintain, at your expense, all required licenses, permits, certificates and accreditations relating to the operation of the Franchise and you must operate the Franchise in full compliance with all applicable laws, ordinances and regulations, including employment laws. The state(s), counties, or city/cities in which you operate your Franchise may impose laws, regulations and/or ordinances that are specific to the home care and personal care service industry and it is your responsibility to know the requirements of these laws, regulations and/or ordinances, and remain current on such obligations throughout the operation of the Franchise.

Various aspects of the home health care industry are regulated under both federal law and state law. There are also employment laws and regulations, including those related to staffing and employment agencies, which may apply to your operations. In addition, under the Full Employment Model, you will treat caregivers as employees for purposes of workers’ compensation, unemployment insurance, and state taxes.

The federal and state regulation of the home care industry is evolving and we cannot predict the impact of current or future economic, regulatory and/or financial conditions on the industry, the Franchise system as a whole, or your Franchise. In addition, the ordinances, laws and/or regulations applicable to your Franchise at the federal and state level can and may change, imposing new or additional obligations on you; you are solely liable for these, including passing state and local inspections, surveys and audits or additional licensing requirements. Changes to the ordinances, laws and/or regulations applicable to your Franchise at the federal and state level may also change the nature of the franchisee-caregiver relationship, including worker classification.

It is your responsibility to research and obtain all required licenses, permits, certificates and accreditations required for the operation of the Franchise in your area and to determine all applicable laws, ordinances and regulations, including those specific to the personal care service industry. It is your responsibility to be aware of and be in compliance with all applicable federal, state, and local laws and regulations including (a) industry specific laws; (b) state and local business and zoning permits, license and certifications, zoning; (c) corporate filings; (d) fictitious name registrations; (e) non-discrimination and anti-harassment laws; (f) equal opportunity, employment, wage and hour laws and regulations, and occupational safety; (g) veterans and other governmental funding regulations; (h) insurance, tax; and (i) all other applicable laws. You should carefully consider these laws and regulations and your obligations to comply with them when evaluating your purchase of the Franchise.

**ITEM 2**  
**BUSINESS EXPERIENCE**

**Chief Executive Officer: Michael Slupecki, MSA, MBA**

Michael Slupecki has served as our Chief Executive Officer since February 2020. From August 2018 to January 2020, he served as the Chief Financial Officer for BioMatrix Specialty Pharmacy in Plantation, Florida. Prior to that, he worked for Interim HealthCare in Sunrise, Florida, from June 2004 to December 2017, serving most recently as the company's Chief Operating Officer (January 2014 to December 2017) and Chief Financial Officer (December 2007 to December 2017).

**Chief Operating Officer: Michael Magid, CSA, CFE**

Michael Magid has served as our Chief Operating Officer since February 2016. From February 2015 to February 2016, Mr. Magid served as our Senior Vice President of Operations. From April 2013 to February 2015, he held the position of Vice President of Franchise Development.

**Chief Financial Officer: Yvonne McGinley, MBA, CPA**

Yvonne McGinley has served as our Chief Financial Officer since May 2019. From December 2011 to May 2019, Ms. McGinley served as our Vice President of Finance.

**Franchise Development Manager: Nicole Kosmaceski**

Nicole Kosmaceski has served as our Franchise Development Manager since April 2019. Prior to that, she served as Regional Sales Manager for Aegis Sciences Corporation in Nashville, Tennessee from April 2017 to April 2019. Ms. Kosmaceski was a Laboratory Sales Consultant with Health Network Laboratories in Allentown, Pennsylvania from January 2016 to March 2017 and a Physician Account Executive with Quest Diagnostics in Secaucus, New Jersey from March 2010 until January 2016.

**Vice President of Marketing and Information Technology: Ron Patterson, MBA**

Ron Patterson has served as our Vice President of Marketing and Information Technology since January 2017. From April 2016 to January 2017, Mr. Patterson served as our Vice President of Information Technology and Innovation. From December 2014 to April 2016, Mr. Patterson served as our Director of Information Technology. Prior to that, from April 2012 through December 2014, he served as our Operations Manager. Mr. Patterson joined GHC (then Special Care, Inc.) in October 2010, and served as our Associate Operations Manager from October 2010 to April 2012.

**Manager of Compliance: Cathy Reilly**

Cathy Reilly has served as our Manager of Compliance since January 2019. From May 2018 to December 2019, Ms. Reilly served as a Human Resources and Compliance Specialist for us. From November 2016 to April 2018, she was a Paraprofessional with the Radnor Township School District in Wayne, Pennsylvania. From November 2001 to May 2016, Ms. Reilly was an Account Manager with Financial Health Services, Inc. in Plymouth Meeting, Pennsylvania.

**Director: John L. Pouschine, MBA**

John L. Pouschine has served as a Director of GHC since December 2012 and served as our interim Chief Executive Officer from May 2019 to February 2020. Mr. Pouschine is the Managing Member of Pouschine Cook Capital Management, LLC of New York, New York where he has worked since March 1999.

**Director: Michael Isakson, MBA**

Michael Isakson was appointed a Director of GHC in October 2013. Mr. Isakson has also been the Managing Partner of Insight to Execution in Memphis, Tennessee since September 2012 and a Member of

Grandview, LLC of Little Rock, Arkansas since November 2012. He has also served as a Director of ECP-PF Holdings Group of Boston, Massachusetts since November 2015.

**Director: Calvin B. Johnson, MD, MPH**

Calvin Johnson was appointed a Director of GHC in June 2016. Dr. Johnson is currently on the Board of Directors of Highmark, Inc., iPraxis, and the National Institute for Children’s Health Quality. He previously served from January 2014 to January 2016 as the Executive Vice President and Chief Medical Officer for Corizon Health in Brentwood, Tennessee. From January 2013 to December 2013, he served as the Project Director and Senior Advisor for Ashlin Management Group in Greenbelt, Maryland. Dr. Johnson also served as the 24th Secretary of Health for the Commonwealth of Pennsylvania.

**Director: Brian Harrison**

Brian Harrison was appointed a Director of GHC in October 2018. Mr. Harrison has been a Principal with Pouschine Cook Capital Management, LLC in New York, New York, since August 2017. Mr. Harrison has also been an advisor to GH Partners in New York, New York since June 2017. He was a partner at Breazy, Inc. from February 2016 to March 2017 in Brooklyn, New York. From May 2010 to September 2014, he was a Vice President at Altpoint Capital Partners in New York, New York.

**Director: Andrew Bohutinsky**

Andrew Bohutinsky was appointed a Director of GHC in July 2018. Since August 2017, he has been Managing Partner of Stonehenge Partners in Columbus, Ohio. From March 2010 to June 2017, he was Managing Partner of Alesco Holdings in Columbus, Ohio.

**Director: Pete Davies**

Pete Davies was appointed a Director of GHC in July 2018. Since September 1999, he has been Managing Partner of Stonehenge Partners in Columbus, Ohio.

**ITEM 3**  
**LITIGATION**

**Completed Actions**

1. Commonwealth of Virginia v. Griswold Special Care of Virginia, Inc. and Special Care, Inc. dba Griswold Special Care (Case Nos. SEC-2004-00001 and SEC-2004-00002). In 2003, the Division of Securities and Retail Franchising (the “Virginia Division”) of the Virginia State Corporation Commission (the “Virginia Commission”) began an investigation into a former franchisee’s complaint to the Virginia Division concerning the accuracy of the language used in the Uniform Franchise Offering Circular (“UFOC”) (this is now referred to as a Franchise Disclosure Document) of GHC’s predecessor entity, Griswold Special Care, Inc. After investigation, the Virginia Division alleged that Special Care, Inc. offered and granted a franchise in which it provided a disclosure document to the prospective purchaser which contained an untrue statement of material fact in violation of Section 13.1-563(b) of the Virginia Franchise Act, and filed an inappropriate document with the Virginia Division. The Virginia Division’s allegations were neither admitted or denied by Griswold Special Care, Inc. Rather, Griswold Special Care, Inc. agreed to a settlement order, issued by the Virginia Commission on September 27, 2004, in which it withdrew its then-pending franchise registration renewal application in Virginia, without prejudice to any future filings in Virginia, reimbursed the Virginia Division for \$2,000 of its costs of investigation and agreed not to violate the Virginia Retail Franchising Act in the future.

2. Commonwealth of Virginia v. Griswold Special Care, Inc. and Kent C. Griswold (Case Nos. SEC-2008-00036 and SEC-2009-00032). In March 2008, the Virginia Division undertook a review of GHC's predecessor, Griswold Special Care Inc.'s company-owned store joint venture agreements in Virginia for compliance with the Virginia Franchise Act. After investigation, the Virginia Division alleged that Griswold Special Care, Inc. and its principal, Kent C. Griswold, violated the Virginia Franchise Act by offering or granting franchises in Virginia prior to registration, by failing to provide franchisees with the required franchise agreement and franchise disclosure document, and by violating the terms of the settlement order in Case Nos. SEC-2004-00001 and SEC-2004-00002 (described above). The Virginia Division's allegations were neither admitted or denied. Rather, Griswold Special Care, Inc. agreed to a settlement order, issued by the Virginia Commission on May 29, 2009, in which Griswold Special Care, Inc. paid a \$10,000 penalty and reimbursed the Virginia Division for \$5,000 of its costs of investigation, and agreed not to violate the Virginia Retail Franchising Act in the future. Also in accord with the settlement, Griswold Special Care, Inc. offered rescission to its joint venture partners, who declined the offer.
3. In June 2014, September 2014, and April 2015, GHC and various affiliated parties were named respondents and defendants in the following 3 related matters (the "Related Matters"):

Mark Andersen et. al. v. Griswold International, LLC et. al., (Docket No. 14-cv-02560, United States District Court for the Northern District of California). On June 3, 2014, Plaintiffs Holly Andersen, MHA Family Holdings Inc., James J. Carlson, Marilyn N. Roach-Carlson, James Carlson LLC, Michael Geisler, M & E Family Care LLC, Dave Hinders, Hinders Home Care Inc., Barry Howland, Gigi Howland, Christopher Jenkins, CS Family Ventures Inc., CSAB Management Inc., Wade Luders, South Bay Care LLC, Michael McKaig, Ken Peters, Kerry Peters, The KPeters Group, Charlayne Redmon, Dwayne Redmon, Ledgewood Enterprise Inc., James Thelen and Thelen Enterprise Inc. (collectively, "Plaintiffs"), Griswold franchisees located in California, filed suit against GHC, and present and former officers or employees Graham Weihmiller, Thomas Monaghan, Diane Walker, Patrick Spaan, Greg Bast, and Michael Magid (collectively, "Defendants") alleging claims arising under the California Franchise Investment Law, the California Franchise Relations Act ("CFRA"), and claims for fraud and breach of contract with respect to their franchises. Plaintiffs alleged that a recent change in California law regarding payment of overtime wages to caregivers adversely impacted the operation of their Franchises, and that the Defendants misrepresented the manner in which the Franchise could be operated in California. On August 13, 2014, all Defendants filed a motion to dismiss the complaint in its entirety and filed a petition to compel arbitration against 3 plaintiffs who had agreed to arbitrate, and not litigate, all disputes with us. The motion to dismiss the complaint was granted in part and denied in part; the court dismissed all Plaintiffs' CFRA claims and the complaint as to the Individual Defendants other than Graham Weihmiller, but denied Defendants' motion to sever Plaintiffs' claims into separate actions. On September 19, 2014, Plaintiffs voluntarily dismissed all claims asserted by Christopher Jenkins, CS Family Ventures Inc., and CSAB Management Inc., and all claims that Defendants misrepresented facts with respect to Plaintiffs Charlayne Redmon, Dwayne Redmod, Ledgewood Enterprise Inc., Wade Luders, and Southbay Care, LLC. On or about May 19, 2016, the case was dismissed with prejudice pursuant to the terms of the settlement agreement described below under "Global Settlement Agreement."

Mull v. Griswold International, LLC, (Civil Action No. 1:15-cv-00737-WYD-KLM, District of Colorado, Colorado). On April 9, 2015, John Michael Mull ("Plaintiff"), filed suit against GHC alleging misrepresentation, breach of contract, fraud and/or violations of franchise laws. Plaintiff alleged that he purchased a franchise based upon the representations of GHC that it had a viable system under which persons providing non-medical home care services operated as independent contractors, so that neither clients nor the franchisee was responsible for taxes or compliance with

wage and hour or other labor or employment laws. Plaintiff further alleged that GHC had knowledge that the Department of Labor regulations, which had been finalized in the Fall of 2013, would signal changes in the law that GHC viewed as mandating changes in its model, but continued to represent to Plaintiff that GHC was not affected by any changes in healthcare regulations and that Plaintiff's business would be successful. Plaintiff alleged that GHC represented that Plaintiff would not have to be a licensed business, which proved to be untrue. As a result of these misrepresentations, Plaintiff alleged he was induced by GHC to enter into a franchise agreement for a business that was substantially different than what was presented by GHC and that GHC failed to fulfill its obligations leading to additional operational problems. Plaintiff sought damages in excess of \$500,000. GHC denied all claims. On or about May 19, 2016, the case was dismissed with prejudice pursuant to the terms of the settlement agreement described below under "Global Settlement Agreement."

Jenkins, et. al. v. Griswold International, LLC, et. al. (Case No.1-14-0001-4884, American Arbitration Association). On or about September 15, 2014, Christopher Jenkins, CS Family Ventures Inc., and CSAB Management, Inc. (collectively, "Plaintiffs") initiated an arbitration against GHC, Graham Weihmiller, Thomas Monaghan, Diane Walker, Kent Griswold, and Fiona Middleton re-alleging their claims in the Anderson v. Griswold International action above, including: misrepresentation, breach of contract, fraud and/or violations of franchise laws. On or about May 19, 2016, the arbitration was dismissed with prejudice pursuant to the terms of the settlement agreement described below under "Global Settlement Agreement."

The Global Settlement Agreement: In May 2016, the parties to the Anderson and Mull litigation, and the Jenkins arbitration reached a global settlement of all claims involved in the Related Matters and executed a single settlement agreement (the "Global Settlement Agreement"). Pursuant to the Global Settlement Agreement, and in addition to other non-material terms, GHC agreed to pay a lump sum of \$700,000 to all plaintiffs and claimants. In return, all plaintiffs and claimants agreed to release all claims against GHC and Weihmiller.

4. Life Call Systems, Inc. v. Griswold International, LLC., (Case No. 13-05556, Court of Common Pleas for Lancaster County, Pennsylvania). On December 23, 2014, R. Scott Knoll and Life Call Systems (collectively, "Plaintiffs"), filed suit against GHC alleging common law fraud, negligent misrepresentation, breach of contract, unjust enrichment, promissory estoppel, breach of confidentiality, and unlawful agreement. Plaintiffs allege that they had a franchise agreement (the "Agreement") with GHC's predecessor, and that GHC misrepresented that it was properly assigned the Agreement and had the right to license the Special Care mark and collect royalties thereunder. Plaintiffs further alleged that GHC did not have a right to collect royalties under the Agreement, that GHC failed to provide the services they were required to under the Agreement, that GHC's breached Plaintiffs' confidentiality by sharing Plaintiffs' confidential business information with other franchises, and that Plaintiffs could no longer operate lawfully in accordance with the GHC system because of alleged changes in the employee status of Caregivers. Plaintiffs sought damages in excess of \$500,000 and a declaration that they did not have a franchise with GHC, or alternatively a declaration that Plaintiffs should not be bound by the non-competition covenants in the Agreement. GHC denied all claims. On October 21, 2015, the parties reached a settlement in which Plaintiffs paid \$170,000 to GHC, and GHC agreed not to enforce any post-termination covenants or compete in Plaintiffs' territory for a certain period of time.

Other than the actions described above, no litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

**A. Initial Franchise Fee**

To purchase a single territory with a population the greater of 250,000 individuals or 25,000 senior citizens (aged 65 and older), you must pay GHC an initial franchise fee (the “Initial Franchise Fee”) of \$49,500. Additional population may be added to a single territory for a cost of \$0.10 per person (for an additional cost of up to \$5,000 per territory) for a total territory population up to 300,000. The Initial Franchise Fee is payable in full upon the signing of the Franchise Agreement, is fully-earned upon payment, and is generally not refundable. However, we will refund all initial fees and the Local Lift-Off Program Fee described in Paragraph C below, less actual out-of-pocket expenses incurred, if we determine, at any time through your HomeCare Academy® training, that you are not suitable for the GHC Business. No Initial Franchise Fee is payable if you are an existing Griswold franchisee and sign the Addendum to Full Employment Franchise Agreement.

GHC participates in the International Franchise Association’s VetFran program and provides for a discounted Initial Franchise Fee for individuals honorably discharged from military service. Currently, GHC has a 5-star rating and provides a 20% discount of the Initial Franchise Fee in connection with its participation in the VetFran program. The VetFran discount is not applied to the purchase of additional territories. This discount may be changed or discontinued at GHC’s discretion. This discount cannot be combined with any other discount offer available at the time of your purchase.

Except as provided for in this Item 5, the fees are uniform to each purchaser but dependent upon purchasers’ individual decisions, personal finances, availability of territories, territory size and number of franchise territories purchased. GHC may, in its sole discretion, award larger or additional territories to selected franchisees.

**B. Additional Territory**

At GHC’s discretion, you may purchase up to 2 additional territories for a total of 3 territories. You must sign a franchise agreement for each additional territory purchased and pay the Initial Franchise Fee in full at signing. The Initial Franchise Fee for each additional territory will be discounted from the current Initial Franchise Fee (described in subsection A. above) by 15%. For example, an initial franchise fee of \$49,500 will be discounted by \$7,425 and therefore will be \$42,075.

We may, in our sole discretion, offer existing franchisees that exceed average system-wide Gross Receipts (as defined in Item 6, Note 2), an additional 5% discount on the purchase of any additional territories.

At GHC’s sole discretion and subject to availability, you may be able to make subsequent purchases of additional territories after you sign your initial Franchise Agreement. In order to acquire 1 or more additional territories, you must be in good standing and not otherwise in default under any initial Franchise Agreement. GHC does not guarantee the availability of additional territories. The additional Franchise units operating in additional territories will be governed by separate Franchise Agreements.

**C. Opening Purchases**

You must pay us a Local Lift-Off Program Fee of \$12,500 (the “Local Lift-Off Program Fee”) upon the signing of the Franchise Agreement. The Local Lift-Off Program Fee will be used solely as determined by GHC to encourage sustainable growth of your GHC Business. In the event that you execute additional franchise agreements for additional contiguous territories, or you are renewing your Franchise or converting to the Full Employment Model by signing the Addendum to Full Employment Franchise Agreement for Existing Franchisees, you will not be required to pay additional Local Lift-Off Program Fees. The Local Lift-Off Program Fee is fully earned upon payment and not refundable; provided, however we will refund all fees and all of the Local Lift-Off Program Fee less actual out of pocket expenses incurred, if we determine, at any time through your HomeCare Academy® training, that you are not suitable for the GHC Business.

You must pay us a first year’s software fee of \$1,750 (the “First Year’s Software Fee”) for GHC’s preferred software system which is provided and maintained by our designated third party vendor. You must pay us the First Year’s Software Fee 2 weeks prior to attending our HomeCare Academy® training program. The First Year’s Software Fee is fully earned upon payment and not refundable. If you are converting to the Full Employment Model by signing the Addendum to Full Employment Franchise Agreement for Existing Franchisees or renewing your Franchise Agreement for another term, no First Year’s Software Fee will apply and you will pay a monthly Software Fee for the entire term as described in Item 6.

**ITEM 6  
OTHER FEES**

TYPE OF FEE <sup>(1)</sup>	AMOUNT	DUE DATE	REMARKS
Royalty <sup>(3)</sup>	The greater of 4% of Gross Receipts <sup>(2)</sup> or the Minimum Royalty Requirement	Monthly	4% of your Gross Receipts (as defined in Note 2 below). Starting in the 13 <sup>th</sup> month after the opening date, you must pay us a minimum monthly royalty (“Minimum Royalty Requirement”) in an amount equal to 4% of your Gross Receipts or \$500, whichever is greater. Starting the 25 <sup>th</sup> month after the opening date and for the remainder of the term of your Franchise Agreement, you must pay us a Minimum Royalty Requirement in amount equal to 4% of your Gross Receipts or \$750, whichever is greater. The Royalty on those Gross Receipts derived from either a “Day Rate Payment” or an “80 hour case” (defined in Note 2 below), will be reduced to 3.75%.
General Marketing Fee <sup>(4)</sup>	The greater of \$200 or 0.5% of Gross Receipts <sup>(2)</sup>	Monthly	Beginning 30 days from the opening date to the first anniversary of the opening date, you must pay a monthly marketing fee (“General Marketing Fee”) of 0.5% of Gross Receipts to a general marketing fund. Thereafter, you must pay GHC the greater of \$200 or 0.5% of Gross Receipts. General Marketing Fees will be capped on an annual basis at \$20,000. In the event of a renewal of an existing franchise agreement or the purchase or transfer of an existing franchise, the

TYPE OF FEE <sup>(1)</sup>	AMOUNT	DUE DATE	REMARKS
			General Marketing Fees will become payable upon signing the Franchise Agreement.
Software Fee <sup>(5)</sup>	\$8 maximum per client per month	Monthly	Beginning on 13th month after the opening date, you must pay us or our designated third party vendor a monthly software fee. Currently, the monthly software fee is \$8 maximum per Care Recipient per month.
Initial Training Fee	\$0	N/A	You do not pay a fee to attend HomeCare Academy®, our initial training program. However, you are responsible for your own travel and living expenses related to attending this initial training, currently held at GHC headquarters or another location designated by us. Attendees to HomeCare Academy are limited to licensed franchisees, partners, spouses, siblings and adult children over the age of 21 years. You may bring a Care Coordinator or Community Relations Coordinator to HomeCare Academy provided you attend the entire training and Care Coordinator or Community Relations Coordinator signs a confidentiality and non-compete agreement.
Transfer Fee	50% of the then-current Initial Franchise Fee for a transfer with no broker fee; \$10,000 plus any brokerage fee payable by franchisee; or \$5,000 for any transfer to an existing GHC franchisee.	Prior to any Transfer	Payable to us in the event that you transfer your Franchise to a third party purchaser. No Transfer Fee will be required (a) in the case of a transfer to a corporation, partnership, or limited liability company (in which the current or existing individual franchisee owns more than a 50% interest in such entity) that is formed by franchisee for the convenience of ownership; (b) in a transfer to your spouse or adult child; or (c) at our reasonable business judgment in a transfer to your employee.
Additional Remediation training	\$500 per day per trainer, plus reasonable room, board and travel for each trainer.	Upon receipt of invoice	If you fail a routine review, audit and inspection consultation (a “Quality Review”), we may require you to have additional training, either on-site at your location, at our corporate headquarters or other location of our choosing. If the additional training is on-site at your location, we will invoice you for this expense when incurred. If at a location other than your location, you are responsible for your own travel and living expenses related to attending such training.
Annual meeting/conference <sup>(6)</sup>	As determined from time to time. Currently, \$350.	Prior to attending the annual meeting or other conference	You must attend 1 GHC-presented meeting/conference each year at your own expense. In addition, you are responsible for all of your travel and living expenses, including your registration fee. The registration fee secures your reservation and is non-refundable if you do not attend.

TYPE OF FEE <sup>(1)</sup>	AMOUNT	DUE DATE	REMARKS
Additional Marketing Support	Varies	Upon your request	GHC may consult and confer periodically with you and other franchisees and company-owned offices about advertising and provide you (upon request) with marketing assistance from time to time at GHC's reasonable business judgment and at your sole expense.
Local Ongoing Marketing	\$12,000 per year	When incurred	After completion of the Local Lift-Off Program, you are required to spend at least \$12,000 per year on local marketing, promotional and advertising activities. However, the local marketing requirement will be reduced to \$6,000 per year if, (a) you hire a dedicated sales and marketing professional or (b) if the Franchise is or will be jointly operated by 2 related adult family members.
Late Fees	\$25 per week	When incurred	If you fail to submit all weekly sales reports and financial statements to us by noon (Eastern Time) Friday of each week for the prior Monday through Sunday's Gross Receipts collected and deposited, we will deduct a \$25 contribution from your designated bank account for each additional week that passes without our receipt of weekly sales reports and/or financial statements. Reports may be submitted electronically, by facsimile or hardcopy.
Insurance	Varies	When incurred	Should you, for any reason, fail to procure or maintain the insurance required, as such requirements may be revised in the Operations Manual or otherwise in writing, we have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges will be payable by you immediately upon notice.
Arbitration Expenses	Varies	When incurred	We and you will bear our own costs of arbitration (e.g., lawyers and similar expenses) and we and you must equally share arbitration expenses (e.g., arbitrator fee, room expense, and similar expenses); provided, however, that we must reimburse you for 50% of (a) the economy travel costs and (b) up to 5 days of lodging for up to 2 of your principals for any arbitration in Philadelphia, PA; and you must reimburse GHC for 50% of (a) its economy travel costs, and (b) up to 5 days of lodging up to 2 principals of GHC for any arbitration in the territory.

TYPE OF FEE <sup>(1)</sup>	AMOUNT	DUE DATE	REMARKS
Underreporting Fee	Interest on any unpaid amount from the date it was; costs of audit if you have underreported by 3% or more	When incurred	In the event any audit or review discloses any understatement of your Gross Receipts, you are obligated to pay to us, within 15 days after your receipt of our review report, the Royalty or General Marketing Fees due on the unremitted funds, plus interest on such unpaid amount from the date it was due until all past due amounts are paid, at a rate of the lesser of 12% per annum or the maximum rate permitted by law. Further, if any review process discloses an understatement of 3% or more of Gross Receipts for any period or periods, you are required to reimburse us for the cost of such review process including the charges of any independent accountant and attorney's fees, the travel expenses, room and board and <i>pro rata</i> compensation of our auditing employee(s) or agents. We may deduct the penalty and our costs directly from your designated bank account and if any subsequent review process undertaken, at least 30 days after the initial audit, discloses any understatements or if any evidence of intentional understatement, we may immediately terminate the Franchise Agreement.
Indemnification	Will vary with circumstances	On demand	You must reimburse GHC and pay its losses and expenses, including costs and attorney's fees, arising from your negligence, failure to follow the Operations Manual, and/or breach of the Franchise Agreement. We agree to reimburse you and pay you for losses and expenses, including costs and attorney's fees, arising from any violation or alleged violation of any federal or state laws, regulations, or requirements related to the Services or Caregivers prescribed, instructed, or authorized by us.
Printed Materials and Shipping	Will vary with circumstances. Currently ranges from \$37-\$453 per month (\$150 on average).	When incurred	GHC will make available to you for your purchase, standard format advertising and promotional materials, including business cards, brochures, and other collateral developed by GHC, or an outside advertising professional. You are responsible for all costs associated with the advertising and promotional materials, as well as shipping.
Additional Services	Will vary with circumstances	When incurred	See Note 7.

Notes:

- (1) Unless otherwise noted, the fees described above are payable to GHC, uniformly imposed, and non-refundable.
- (2) "Gross Receipts" is defined as the aggregate of all monies received by you as a result of all Services and goods provided by you during the preceding reporting period. Gross Receipts do not include the amount of any applicable sales tax imposed by and paid to any federal, state,

municipal, or other governmental authority. Gross Receipts do not include Client reimbursements to you for actual expenses (e.g. mileage) paid by you on behalf of a Client. Also excluded from Gross Receipts are adjustments, including corrections of errors in billings and other reductions in billings given in order to develop and maintain Client relations and goodwill.

“Day Rate Payment” is defined as payment for a full day of Caregiver Services that is calculated based on a full-day rate of a minimum of at least 8 hours and not on an hourly basis. “80 Hour Case” is defined as a home care case in which 1 or more Caregivers provides a Care Recipient 80 hours’ or more worth of Caregiver Services during the preceding weekly reporting period.

You must establish a designated bank account exclusively for the depositing of all Gross Receipts. You must deposit all Gross Receipts for the prior week into your designated bank account, including cash, checks, and credit card receipts, on or before the due date for that weekly sales report. You must send us weekly sales reports of your Gross Receipts (which must include your calculation of all the Royalties and General Marketing Fees, and any other information we require) for the prior week on the day and in the form as we require in writing. Each week, we will collect Royalty and other amounts due by you from your designated bank account. You must transfer to our designated bank account all amounts due to us, via electronic fund transfer from your designated bank account every Friday (your “Affirmative Transfer Right”). If you fail to transfer to our designated bank account the required funds by Friday, on more than 3 occasions during the term of your Agreement, your Affirmative Transfer Right will immediately terminate, and we will automatically deduct, on Friday for the remainder of the term, all payments owed to us under the Franchise Agreement or any other agreement from your designated bank account via an electronic funds transfer initiated by Franchisor (“EFT Program”). Upon written notice to you, we can designate another method of payment or time frame for payment.

- (3) If you are renewing or converting an existing Franchise or purchasing an existing franchise, the Minimum Royalty Requirement will become due and payable upon signing the Franchise Agreement and will be the greater of 4% of your Gross Receipts or \$750 per month. You can aggregate the royalty for all GHC Businesses operated by you or your principals for the trailing 12-month period to determine if the monthly Minimum Royalty Requirement for each business has been met. If you buy a second territory at the same time as your first territory, you must commence payment of the Minimum Royalty Requirement under the second Franchise Agreement by the 25<sup>th</sup> month from the opening date under the first agreement, and continuing for the duration of the term of such second Franchise Agreement. If you buy a third territory at the same time as you buy your first and second territories, you must commence payment of the Minimum Royalty Requirement under the third Franchise Agreement by the 37<sup>th</sup> month after the opening date under the first agreement and continuing for the duration of the term of such third Franchise Agreement.
- (4) If you buy a second territory at the same time as your first territory, your second territory must begin payment to us of a monthly General Marketing Fee (a) of 0.5% of Gross Receipts on the second anniversary of the opening date under the first agreement and (b) the greater of \$200 or 0.5% of Gross Receipts beginning on the third anniversary of the opening date under the first agreement; provided, however, if your or your principals operate another GHC Business under the Marks and System in the territory, then you will pay us for the General Marketing Fee the greater of \$100 or 0.5% of Gross Receipts. If you buy a third territory at the same time as you buy your first and second territories, your third territory must begin payment to us of a monthly General Marketing Fee (a) of 0.5% of Gross Receipts on the third anniversary of the opening date under the first agreement and (b) the greater of \$200 or 0.5% of Gross Receipts beginning on the 4<sup>th</sup> anniversary of the opening date under the first agreement; provided, however, if you or your principals operate another GHC Business under the Marks and System in the territory, then you will pay us for the General Marketing Fee the greater of \$100 or 0.5% of Gross Receipts.

- (5) The First Year's Software Fee of \$1,750, as described in Item 5, is due to us 2 weeks prior to attending our HomeCare Academy® training program. Starting in the 13th month, you will have to pay a monthly Software Fee. Currently, the monthly Software Fee is \$8 per client you service each month (for example, if you had 50 clients, your Software Fee would be \$400/month). Discounts may be available for higher volume. You will pay the Software Fee directly to our designated vendor. The Software Fee and GHC's designated software vendor will be determined in our reasonable business judgment, and are subject to review by GHC's software selection committee. If you are converting to the Full Employment Model by signing the Addendum to Full Employment Franchise Agreement for Existing Franchisees or renewing your Franchise Agreement for another term, no First Year's Software Fee will apply and you will pay a monthly Software Fee for the entire term.
- (6) GHC may charge a fee to cover meeting and/or conference speakers, meals, and other reasonable meeting and/or conference expenses once you have registered, and whether or not you attend. GHC reserves the right, if you fail to register for and attend at least 1 of the meetings or conferences GHC sponsors in a calendar year, to deduct the greater of \$500 or the then-current registration fee from your designated bank account.
- (7) Other healthcare, homecare, or alternative services may be or become available in your area. Availability will be partially dependent upon your interest and/or the scope of licensures available in your state, including personal emergency response system device deployment, facility and other staffing services, and some RN/LPN services in other similar business systems. In the event you are approved to provide related services as described in this Disclosure Document through the Franchise, you will be required to pay associated royalties and general marketing contributions.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>TYPE OF EXPENDITURE<sup>(1)</sup></b>	<b>AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial Franchise Fee <sup>(2)</sup>	\$49,500	Your choice of bank check, money order or wire transfer	At signing of Franchise Agreement	GHC
Initial Training Fee	\$0	N/A	N/A	N/A
Living Expenses While Training <sup>(3)</sup>	\$3,000 to \$5,000	As incurred	As incurred	Third Parties
Local Lift-Off Program	\$12,500	Your choice of bank check, money order or wire transfer	At signing of Franchise Agreement	GHC
Office Lease <sup>(4)</sup>	\$9,000 to \$13,000	Per lease agreement	As arranged	Lessor

<b>TYPE OF EXPENDITURE<sup>(1)</sup></b>	<b>AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Office Equipment <sup>(5)</sup>	\$2,500 to \$4,000	As arranged	As arranged	Third Parties
First Year Computer Software Fee and Installation Fee <sup>(6)</sup>	\$1,750	Your choice of bank check, money order or wire transfer	2 Weeks prior to attending HomeCare Academy®	GHC
Signage	\$50 to \$1,000	As arranged	As arranged	Third Parties
Opening Office Supplies and Inventory	\$50 to \$750	N/A	As arranged	Third Parties
Insurance (6 months of general liability and worker's comp premiums) <sup>(7)</sup>	\$3,800 to \$4,800	Varies	As arranged	Third Parties
Printed Materials and Shipping <sup>(8)</sup>	\$1,200 to \$1,800	As arranged	As arranged	Third Parties
License, Permit Registration or Certificate Costs <sup>(9)</sup>	\$0 to \$3,000	As arranged	Every 1 to 3 years	State and/or local regulatory authorities
Additional Funds (6 months) <sup>(10)</sup>	\$23,000 to \$36,000	As incurred	As incurred	Working Capital: Employees, Suppliers, Utilities, etc.
<b>Total:</b>	\$106,350 to \$133,100			

Notes:

- (1) Unless otherwise noted, the fees described above are non-refundable, unless you arrange otherwise with your suppliers. GHC does not offer, either directly or indirectly, any financing for these expenditures. All of the above expenses are your sole obligation as the owner of the Franchise. The numbers here are based on current experience and market conditions of existing GHC Businesses.
- (2) The \$49,500 Initial Franchise Fee is for 1 territory which will include the greater of a population up to 250,000 people or 25,000 seniors. The initial territory may be expanded for an additional cost of \$0.10 per person up to a population of 300,000 people, for an additional cost up to \$5,000. We will refund all fees received and all of the Initial Franchise Fee less actual out of pocket expenses incurred, if we determine, at any time through your HomeCare Academy® training, that you are not suitable for the GHC Business.

- (3) You will be responsible for expenses such as travel, lodging, meals and other expenses related to your attending GHC's HomeCare Academy® training.
- (4) We estimate that your rent will range between \$1,000 and \$1,500 per month for an office of approximately 500 square feet, based on our experience in Pennsylvania. The \$9,000-\$13,000 included in the table above is for lease expenses associated with the first 6 months plus a security deposit and last month's rent. Most rentals require a security deposit plus first and last months' rent at inception of the lease. Rental rates vary widely nationwide. You must list GHC on any leased or owned space. You are required by the Franchise Agreement to enable GHC to use the office space within your GHC Business operations in the event GHC needs to assume day-to-day operations of your GHC Business. You are required to send to GHC written proof of assignment within 10 days of completing such lease or purchase.
- (5) You are required to maintain a computer that has Internet access, video teleconferencing hardware (*i.e.*, web camera, microphone/speaker), Microsoft Office Pro software (or its successor), and file backup capabilities. You must also obtain additional equipment including telephones, a smartphone, bank check scanning equipment, facsimile/copier scanner, desks, and an answering machine or service, some or all of which may already be in your possession. You will also have ongoing fees for services. Telephone, cellular service, and high-speed Internet service will on average cost \$150 to \$300 per month, depending on your area, your choices, the number of lines, and quality of your phone system, etc. There may be additional setup and service fees that will vary based on your vendor. The Item 7 table above includes 3 months of expenses associated with office technology and service fees.
- (6) Your payment of the \$1,750 First Year's Computer Software Fee covers 12 months of software usage. See Item 6 for more information regarding ongoing Software Fees.
- (7) You must maintain the insurance required by state and local law, and as indicated in your Franchise Agreement, which insurance must name GHC as an "additional insured" for liability arising out of the operations of the Franchise. We estimate that your monthly insurance premium will range between \$635 and \$800. The estimated initial insurance cost listed in the chart above is based on the average expense for startups for a 6-month period for General and Professional Liability Insurance (minimum limits of \$1,000,000 per occurrence, \$3,000,000 in the aggregate); Non-owned Auto Insurance (\$1,000,000 for each accident sub-limit); Sexual Abuse Coverage (minimum limit of \$250,000); Business Income Coverage (minimum limit of \$100,000); Crime Coverage (minimum limit of \$25,000); Property/Contents (minimum limit of \$10,000); and Workers' Compensation Insurance. Please note that minimum workers' compensation coverage is set by state law. Workers' compensation premiums vary quite significantly from state to state and depending on the size of your workforce. Depending on your state, we estimate that you will pay between \$0.20 and \$4.55 per \$100 of your payroll for workers' compensation insurance.

In addition, we recommend, your state may require, or you may choose, to add the following insurances: Employment Practices Liability Insurance, Renter's Insurance, and/or Umbrella Policies for defense costs outside the limits of your base policies.

These types of insurances may be provided by vendors of your choice, usually payable upon demand. Other insurances may be chosen by you, depending upon your personal risk tolerance and/or the advice of your personal tax, business or legal counsel. Should you, for any reason, fail to procure or maintain the insurance required the Franchise Agreement, as such requirements may be revised in the Operations Manual or otherwise in writing, we have the right and authority (without, however, any obligation to do so) immediately to purchase such insurance and to charge same to you. The purchase price, together with a reasonable fee for our expenses in so acting, will be payable by you immediately upon notice. The foregoing remedies will be in addition to any other remedies we may have.

- (8) As part of the Local Lift-Off Program, you will receive some marketing materials. You may need or elect to purchase additional items at your own expense. GHC will make available to you for your purchase advertising and promotional materials, including business cards, brochures, and other collateral developed by GHC, or an outside advertising professional. You are responsible for all costs, including shipping, associated with the advertising and promotional materials once the Local Lift-Off Program quantities are exhausted.
- (9) The state in which you operate the Franchise may require you to obtain licensing, certification, registration or other forms of state or local business permits in order to operate the Franchise.
- (10) Additional funds, referred to as working capital, are included to cover start-up expenses to cover such matters as any legal fees or other costs for advisors for compliance with state and federal laws affecting the homecare industry and the Franchise and ongoing expenses for operating your Franchise, such as any expenses associated with the annual conference, local ongoing marketing and related marketing supplies, rent if applicable, the hiring of office employees, recruiting for caregivers, advertising programs, office supplies, utilities, customer satisfaction programs, credit card processing fees, telephone answering service fees, and charges for a VOIP phone system. This estimate, which covers 6 months of compensation for the owner and 1 staff member, as well as a small amount of miscellaneous expenses, is based on our experience in franchising for approximately 7 years and our predecessor's experience in franchising for over 25 years. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. Some state regulations may require you to hire a full time Care Coordinator and a part time Community Relations Coordinator before starting operations of the Franchise or sooner, which will increase your costs. Your actual costs will depend on how well you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for the Services; the prevailing wage rate; competition; the sales level reached during the initial period, as well as any salary or draw taken by you from revenues or monies you determine necessary to support yourself during your GHC Business's start-up period, which may last 6 to 24 months or more. You should also speak with existing franchisees to help determine the appropriate amount of working capital for your business.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES**

#### **A. Preferred Vendors**

GHC currently has no required specifications, designated suppliers or approved suppliers for goods or services in relation to the operation of the Franchise other than those specified here below. Currently, neither GHC nor its affiliates are approved suppliers or sole suppliers of any product or services. There are no suppliers in which an officer of GHC owns an interest. There are "preferred vendors" available to you for various items, including printing and office supplies, cognitive ability screening services and workbooks, telemedicine services, and biometric tracking devices and services. Some of these suppliers may afford you a group purchasing discount. Except for the client relations management software as provided below, GHC does not mandate that any equipment, products, services and/or supplies used in connection with the operation of the Franchise be purchased exclusively from us or our affiliates or suppliers or distributors we designate. GHC issues brand standards for any products or supplies that display the trademarks.

You may purchase office equipment from any source you select, including basic computer hardware and software as set forth in GHC's Operations Manual. You are required to have high-speed Internet access, and video teleconferencing equipment for communication with us as well as coordinating your business

operations, interacting with clients, accessing GHC's intranet, and receiving and sending marketing presentations and materials. At any time during the operation of your Franchise, we may, in our reasonable business judgment, require you to upgrade or replace any computer hardware or software to comply with our then-current standards and specification for a Franchise.

You may be loaned 1 or more e-mail accounts (e.g., "@GriswoldHomeCare.com") as part of the Franchise purchase. You must use your assigned email account in all aspects of the operation of the Franchise. Each email account remains GHC's sole property and reverts to GHC in the event of any expiration, termination, or transfer. You may not have other e-mail accounts for the Franchise, nor may you use or establish or identify any website or social media site other than our designated website, currently [www.GriswoldHomeCare.com](http://www.GriswoldHomeCare.com) for Franchise business operations, except for: (a) e-mail accounts used in connection with the Franchise prior to the date that you sign the franchise agreement or otherwise permitted by us, or (b) as provided in any social media policy (if any) which we may adopt or incorporate into the manual. You may not use the Marks or any trade names or trademarks confusingly similar to the Marks as part of any e-mail address, website identification, social media site naming/identification, or on any third-party website without GHC's prior written consent. Except for personal exchanges of correspondence in the ordinary course of business between you, clients, prospective clients, and your established contacts, including Caregivers, any e-mail or online content that you create related to marketing or advertising the Franchise, the Services, Caregivers, or Clients will be considered advertising and be subject to GHC's approval and requirements.

You are required to utilize our approved web-based software system. The web-based software includes sections for management of client and caregiver data, and which will be used to support any remote Quality Review processes, financial tracking, sales reporting, mapping, and providing dashboards for monitoring. GHC does not receive any revenue as a result of your use of the system. The ongoing Software Fee is subject to review and change in our reasonable discretion and with the review of our software selection committee.

GHC may receive rebates or other discounts from certain suppliers and/or preferred vendors for purchases made by you and other franchisees. GHC did not receive any payments from suppliers or preferred vendors in 2019. GHC has negotiated certain discounts and pricing with approved suppliers. In addition, GHC reserves the right to negotiate discounts with or make recommendations concerning other vendors and suppliers in the future. Such recommendations are customarily based on experiences within the Franchise network and often result in research savings to System franchisees. GHC estimates that your required purchases and leases to all purchases and leases required to establish and operate your Franchise will be between 0% and 5%.

#### **B. Criteria and Process for Supplier Approval**

GHC has no criteria or fees for approving vendors of your choice, and no applicable time period within which to notify you of approval or revocation of same.

#### **C. Purchasing or Distribution Cooperatives**

GHC does not provide franchisees with material benefits (such as renewal or granting additional territories) based on franchisees' purchase of particular products or services or use of particular suppliers. There are preferred vendors for soft goods, printing and office supplies which may afford you group purchase discounts.

**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.**

<b>OBLIGATIONS</b>	<b>SECTION IN AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a. Site selection and acquisition/lease	Section 5	Items 5, 11, and 12
b. Pre-opening purchases/leases	Section 5	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	Section 5	Items 5, 7, and 11
d. Initial and ongoing training	Sections 3, 5, 6, and 7	Items 6, 7, and 11
e. Opening	Section 5	Item 11
f. Fees	Sections 4, 7, 11, 12, 13, 14, and Attachment 3	Items 5, 6, and 7
g. Compliance with standards and policies/operating manual	Sections 3, 6, 7, 8, 9, and 11	Items 11, 12 and 14
h. Trademarks and proprietary information	Sections 1, 8, 10, and 15	Items 13 and 14
i. Restrictions on products/services offered	Section 6	Items 8 and 16
j. Warranty and customer service requirements	Sections 1 and 6	Item 12 and 16
k. Territorial development and sales quotas	Sections 1, 5, and Attachment 2	Items 6, 12, and 17
l. Ongoing product/service purchases	Section 6	Items 5, 6, 7, and 8
m. Maintenance, appearance, and remodeling requirements	Section 5	Items 7 and 11
n. Insurance	Section 13	Item 7
o. Advertising	Section 12	Items 6, 7, and 11
p. Indemnification	Section 13	Item 6
q. Owner's participation/management/staffing	Section 6, 10, and 18	Item 15

OBLIGATIONS	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
r. Records and reports	Section 6, 11, 13, and 16	Item 6
s. Inspections and audits	Section 3, 6, 7, and 11	Item 6
t. Transfer	Section 14	Item 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 16	Items 15 and 17
w. Non-competition covenants	Section 17 and Attachment 5	Items 15 and 17
x. Dispute resolution	Section 19	Item 17

**ITEM 10  
FINANCING**

GHC does not offer any 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, GHC is not required to provide you with any assistance.**

**A. Pre-Opening Obligations**

Before you open your Franchise, GHC will:

1. Provide up to 10 days of on-site training, as further described below. (Franchise Agreement Section 3.1);
2. Loan you 1 copy of GHC's Operations Manual (at our option in hard copy and/or on-line version). (Franchise Agreement Section 3.2); and
3. Supply you with your Local Lift-off Program materials. (Franchise Agreement Section 3.4).

**B. Territory and Site Approval**

GHC will provide you with information at your request, customarily within the month preceding training, concerning your Franchise site selection, considering such factors as accessibility of your chosen site for prospective Caregivers, Clients, and Care Recipients, overall location relative to your territory and your costs. You must select a location for Franchise operations only within your assigned territory, subject to

GHC's approval. Site selection and office set-up should occur prior to on-site training or licensure, and must occur prior to commencement of Franchise operations. Local, state or other regulations and/or restrictions may restrict your site selection. GHC does not lease real estate to franchisees and currently has no plans to do so. The approximate time between the signing of the Franchise Agreement and the opening of the Franchise is between 60 and 120 days. Factors affecting these time periods may include your personal schedule, your identifying a suitable office location, your ability to obtain all required licenses and/or accreditations, your completion of our initial training program, and your obtaining insurance coverage.

### **C. Continuing Obligations**

After you open the Franchise for business, GHC will:

1. Provide you with updates to the Operations Manual from time to time. (Franchise Agreement Section 3.2).
2. Provide you with assistance, as we deem necessary, in complying with applicable state and/or local licensing requirements. (Franchise Agreement Section 3.3).
3. Make branded proprietary business forms, brochures, business cards, information and descriptive literature for the operation of the Franchise available to you in English for your purchase and at your sole expense, including shipping. (Franchise Agreement Section 3.5).
4. Market the System through a general marketing fund. (Franchise Agreement Section 3.6).
5. Designate 1 or more persons who will be available at reasonable times to render advice to and consult with you on the operation of your Franchise. (Franchise Agreement Section 3.7).
6. Monitor and review Franchise operations in order to determine compliance with the Operations Manual and Franchise Agreement. (Franchise Agreement Section 3.8).
7. Monitor and assist in your maintenance of positive public relations with your clientele. (Franchise Agreement Section 3.9).
8. Provide annual meetings and/or conferences among franchisees, teleconferences and additional training for franchisees. (Franchise Agreement Section 3.10).
9. Issue brand standards for any products or supplies that display the trademarks, as we determine. (Franchise Agreement Section 3.11).
10. Use our best efforts to remain current on legal and other developments in the industry and promptly advise you of any changes that may affect the Franchise. (Franchise Agreement Section 3.12).
11. Assist you in maintaining high quality standards through satisfaction surveys, reviews, interviews, and other similar initiatives, to the extent required by state law. (Franchise Agreement Section 3.13).

## **D. Consultation with Franchisees**

We agree in the Franchise Agreement, with respect to certain types of matters, to consult on a periodic basis on matters of mutual interest with any “Franchisee Association.” These matters include our possible development of other products, services, or technologies (described in Item 16; Franchise Agreement Section 1.3.5); our possible changes to the System; our possible changes to the Manuals; and our use of the General Marketing Fund and ad cooperatives (described in this Item 11; Franchise Agreement Section 18.2). Moreover, we agree in our Franchise Agreement to consult on a periodic basis with any Franchisee Association on matters of mutual interest. A “Franchisee Association” is any representative group of owners consisting of more than 50% of the owners that has been operating GHC Businesses for more than 3 years. As of January 1, 2020, the GHCFA (described in Item 20) met this definition and is the current Franchisee Association. As a franchisee, under the Franchise Agreement you agree that we may consult with and consider the advice of any such group, but that we are not bound by its views. We may from time to time require that any such group of GHC franchisees demonstrate to our reasonable satisfaction that it meets the above-described qualifications, and we have no obligation to recognize any such group that has failed or refused to so demonstrate its qualifications. GHC retains the right to establish and interact with any elected or appointed franchisee advisory board or council that qualifies as a representative franchisee group as described above. In this regard, GHC has established a franchisee advisory council (Franchise Agreement Section 18.2).

## **E. Advertising/Marketing**

1. ***Description of the Marketing Program.*** GHC is not required to make any certain amount of advertising or marketing material available to you or to spend any certain amount on marketing within your territory. (Franchise Agreement Section 12.2.4). GHC may conduct advertising in print, television, and/or electronic media. GHC will have branded business forms, brochures, business cards, and descriptive and or promotional literature and operational forms available for your purchase at your sole expense. All such materials will be provided at GHC’s actual cost, and you will be responsible for all shipping and handling costs.

GHC may consult and confer periodically with you, other franchisees, and company-owned businesses about marketing, promotions and public relations, and may provide you with advice concerning best practices information. Although not obligated to do so, GHC regularly seeks marketing opportunities to advance the company and brand reputation including interviews, articles in local, state and national publications and has implemented Internet and toll-free client and caregiver telephone support services. You must submit all self-generated advertising materials to GHC for our approval prior to use. You will be required to use the official name of your territory, which will be assigned upon the signing of a Franchise Agreement, for all promotional events, web sites, collateral materials, etc.

2. ***General Marketing Fund.*** Beginning 30 days from the opening date to the first anniversary of the opening date, you must pay GHC a monthly General Marketing Fee of 0.5% of Gross Receipts to the “General Marketing Fund.” Thereafter, you must pay GHC a monthly General Marketing Fee the greater of \$200 or 0.5% of Gross Receipts to the General Marketing Fund. (Franchise Agreement, Section 12.2.1). In the event of a renewal of an existing Franchise Agreement or the purchase or transfer of an existing franchise, the General Marketing Fees will become payable upon signing the Franchise Agreement.

If you buy a second territory at the same time as your first territory, your second territory must pay GHC a monthly General Marketing Fee of 0.5% of Gross Receipts to the General Marketing Fund on the second anniversary of the opening date under such agreement and the greater of \$200 or 0.5% of Gross Receipts commencing on the third anniversary of the opening date under such agreement; provided

however, that if you operate another GHC Business under the Marks and System in the territory, then you will pay GHC a monthly General Marketing Fee the greater of \$100 or 0.5% of Gross Receipts. If you buy a third territory at the same time as you buy your first and second territories, your third territory must pay GHC a monthly General Marketing Fee of 0.5% of Gross Receipts to a General Marketing Fund on the third anniversary of the opening date under such agreement and the greater of \$200 or 0.5% of Gross Receipts commencing on the 4<sup>th</sup> anniversary of the opening date under such agreement; provided, however, that if you operate another GHC Business under the Marks and System in the territory, then you will pay GHC a monthly General Marketing Fee the greater of \$100 or 0.5% of Gross Receipts.

Your payment of General Marketing Fees due under the Franchise Agreement will be capped on an annual basis at \$20,000 per calendar year (the “General Marketing Fund Cap”).

GHC will administer and maintain the General Marketing Fund to develop, produce and distribute advertising, public relations and marketing materials and products promoting the Services provided by GHC Businesses and company-owned offices. GHC will use General Marketing Fund contributions, in GHC’s reasonable business judgment and consultation with GHC franchisees, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in GHC’s reasonable business judgment and consultation with GHC franchisees, the products and services offered by system franchisees. GHC has the right to determine expenditures from the General Marketing Fund, or any other advertising program. GHC also has the authority to determine the selection of the advertising materials and programs provided. However, GHC will make a good faith effort to expend General Marketing Fund contributions in the general best interests of the System on a national or regional basis. GHC may use the General Marketing Fund to satisfy any and all costs of maintaining, administering, auditing, directing, preparing, and producing advertising, preparing and producing Internet, television, radio, magazine, and newspaper advertising campaigns, direct mail, outdoor billboard advertising, and any other forms of advertising.

GHC may use the General Marketing Fund for the cost of public relations activities, advertising agencies, developing and maintaining a website and other departmental costs for advertising that GHC internally administers or prepares. Nevertheless, you acknowledge that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. All GHC franchisees contribute to the General Marketing Fund at the same rate. Company-owned businesses are not required to contribute to the General Marketing Fund at the same rate as GHC franchisees. GHC will not directly utilize General Marketing Funds for the purpose of soliciting new franchisees.

GHC will prepare on an annual basis, and will have available for System franchisees within 60 days of the end of the fiscal year, an unaudited statement of contributions and expenditures for the General Marketing Fund. The General Marketing Fund is not required to be independently audited.

In the fiscal year ended December 31, 2019, the General Marketing Fund contributions were expended as follows: 27% for production, 53% for media placement, and 20% for administrative expenses.

3. ***Local Lift-Off Program.*** After signing the Franchise Agreement, you must participate in the Local Lift-Off Program, which is estimated to last 60 days. (Franchise Agreement, Section 4.2). The Local Lift-Off Program is a customized program designed to promote the growth of your GHC Business. As part of the Local Lift-Off Program, you will receive an initial inventory of advertising and promotional materials, such as business cards, brochures, and other collateral developed by GHC, or an outside advertising professional. In addition, GHC will provide marketing requirements and/or advice regarding your opening. You may need or elect to purchase additional items at your own expense. You are responsible for all costs, including shipping, associated with the advertising and promotional materials once the Local Lift-Off Program quantities are exhausted. The Local Lift-Off Program fee is \$12,500

and is due upon signing the Franchise Agreement. The funds will be used as solely determined by GHC to encourage growth of your Franchise. The Local Lift-Off Program and Local Lift-Off Program fee does not apply if you are renewing or converting your Franchise by signing the Addendum to Full Employment Franchise Agreement for Existing Franchisees.

4. **Local Marketing.** You are required to spend a minimum of \$12,000 per year on local marketing, promotional and advertising activities. However, in the event that you hire a dedicated sales and marketing professional or if the Franchise is or will be jointly operated by 2 related adult family members, the Local Marketing Requirement will be reduced to \$6,000 per year. You may not designate yourself as the sales and marketing professional for the purpose of reducing your annual Local Marketing Requirement. You acknowledge and agree that you must use only advertising and promotional materials developed or approved by GHC, and must cease using any materials upon instruction from GHC. You must participate in advertising, promotional, and/or branding initiatives upon instruction from GHC. You agree not to use public figures in Franchise promotional efforts or advertising without the prior express written approval of GHC. You must submit all self-generated advertising materials to GHC for our approval prior to use.

5. **Advertising Cooperatives.** We have the right, in our reasonable business judgment and consultation with GHC franchisees, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”), and to determine whether a Cooperative is applicable to your Franchise. We also have the power to form, change, dissolve and/or merge Cooperatives. There are currently no Cooperatives. If a Cooperative is established applicable to your Franchise, you must participate in and contribute to the Cooperative. We will work with franchisees if a Cooperative is established to determine: (a) how the area or membership of the cooperative is defined; (b) how much franchisees must contribute to the fund and whether other franchisees must contribute a different amount or different rate; (c) whether company-owned outlets must contribute to the fund and if so, whether the contributions are on the same basis as those for franchisees; (d) who would be responsible for administering the cooperative; (e) whether cooperatives must operate from written governing documents and whether the documents are available for franchisees’ review; and (f) whether cooperatives must prepare annual or periodic financial statements and whether those statements will be available for franchisees’ review.

## **F. Computer System**

You are required to have a compatible computer with video teleconferencing equipment in order to be able to communicate with us and access our intranet system. You must have a computer that supports a high speed Internet connection, e-mail, Microsoft Office Pro software, file backup abilities, fax/copier/scanner capacity, a “smart phone”, and a bank check scanner. You are responsible for making your own selection and purchase of an Internet access provider and computer, and costs will vary widely depending upon bandwidth, accessibility in your area and your choice of vendors. We estimate that the cost of the computer system will be between \$1,000 and \$2,000, with high speed Internet access at the cost of \$75-\$125 per month.

From time to time, we may, but are not obligated to, upgrade our preferred software system in order to facilitate your operation of the business. You are required to use the system selected by GHC and bear the associated costs of that system (including any costs in connection with upgrading or making your then-existing system and related equipment compatible with our system).

You are solely responsible for upgrading, maintaining, repairing or updating your personal computer system or its software during the term of the Franchise Agreement. We estimate that the costs of annual maintenance, updating, upgrading, or support contracts will range from \$100 to \$2,000.

GHC will have independent access to the information from your Franchise that will be generated and stored in our preferred software system and any Client, Care Recipient, Caregiver, service or financial records stored in your computer system at all times. There are no limitations on GHC’s rights to access this information.

**G. Operations Manual**

The table of contents to the current GHC Operations Manual (including the number of pages in each section) is attached as Exhibit C. It currently has 108 pages.

**H. Training**

GHC will provide you with initial training regarding the operation of the Franchise at HomeCare Academy® (HCA) as soon as arrangements can be made and schedules allow, usually not more than 120 days after signing the Franchise Agreement. You may not attend HCA training until you have secured all licenses and permits necessary to operate the Franchise in your territory. Prior to initial training, franchisees receive coaching in the Griswold launch process regarding the Franchise, including review of the Operations Manual, review of state specific compliance manuals, obtaining state licenses where applicable, setting up your local company, insurance, bank accounts, completing a market/rate study, locating and setting up commercial office space, and establishing criminal background screening in your state. Coaching in the launch process usually takes place via telephone/webinar. HCA is for a period of up to 30 days including up to 10 days of on-site training and is usually held at our corporate headquarters or at any other location we may designate. Instructional materials can and may include a GHC flash drive with course materials.

We do not currently charge you for this training but you must pay your own travel and living, and all other related expenses. You will need access to a car while attending HCA so that you can participate in Immersion Days. “Immersion Days” are days where you have an opportunity to visit company-owned offices in Pennsylvania for training purposes.

GHC currently offers and conducts a training program monthly and on an as-needed basis, dependent upon the number of incoming franchisees, which you must complete to GHC’s satisfaction.

**TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>LOCATION</b>
Welcome, Overview, and Introductions	2	1.5	GHC Headquarters
Federal Regulations, Scope of Service, Risk Mitigation, Quality and Compliance, and Worker Compensation	5	7	GHC Headquarters and your Franchise
Caregiver Sourcing, Assessing/Interviewing, Onboarding, and Training	4	8	GHC Headquarters and your Franchise
Client Inquiries, Intake, and Home Visits	4	12	GHC Headquarters and your Franchise
Documentation, Case Notes, Care Coordination, Billing, Accounting, and Third Party Contracts	2	9.5	GHC Headquarters and your Franchise

<b>SUBJECT</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>LOCATION</b>
Brand Equity, Sales and Marketing, and Direct-to-Consumer Marketing	5	24	GHC Headquarters and your Franchise
Support Systems: Quality Review and Improvement, Automated Systems, Intranet, Ordering, and HomeCare Academy®	8	4	GHC Headquarters and your Franchise
<i>Software system</i> self-study training: Introductory videos on Administration, Clients, Caregivers, Coordination of Client Requests, and Payment Processing	16	4	GHC Headquarters and your Franchise
Reporting and Management	4	4	GHC Headquarters and your Franchise
Examination and Evaluation	0	5	GHC Headquarters
<b>TOTAL HOURS</b>	<b>50</b>	<b>79</b>	

HCA training is geared towards the adult learner, employing a variety of blended learning methodologies.

Training will be provided by or under the supervision of 1 or more of the following individuals:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Experience with GHC</u></b>	<b><u>Experience in their Field</u></b>
Mike Magid	Chief Operating Officer	Since 2010	26 years' experience
Yvonne McGinley	Vice President of Finance	Since 2011	26 years' experience
Ron Patterson	Vice President of Marketing and Information Technology	Since 2010	17 years' experience
Cathy Reilly	Manager of Compliance	Since 2017	17 years' experience
Caressa Dawkins	Corporate Recruiter	Since 2016	4 years' experience
Amanda Lepore	Senior Manager of Learning and Development	Since 2014	11 years' experience
Shannon Gettier	Operations Manager	Since 2012	12 years' experience

Additional training programs or refresher courses are offered from time to time by GHC. These are free webinars that you and your office staff can attend. However, your participation in these programs is not mandatory.

## **ITEM 12** **TERRITORY**

### **A. General Territory Description**

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 that we control. However, you will operate the Franchise within a protected territory within which you have the right to provide Services to Care Recipients (the “Territory”), subject to the exceptions described in this Item and in the Franchise Agreement. Your Territory and official Territory name will be agreed upon at the signing of the Franchise Agreement and cannot be changed or alternatively described or identified without our prior written consent. You may not relocate your office without our prior written consent, which will not be unreasonably withheld, on the condition that the office is relocated within your Territory.

Your Territory is usually delineated by postal zip codes and/or by geographic boundaries (e.g., county lines) and will be determined on or before your execution of the Franchise Agreement. Territory sizes can vary widely, but our standard territory has a population the greater of 250,000 people or 25,000 senior citizens (individuals aged 65 years or older). We currently rely on demographics and income reports from ESRI to determine territory size. You may increase your territory size by purchasing additional population at the cost of \$0.10 per person up to a total of 300,000 people in any single territory, at an additional cost up to \$5,000.

You may be able to purchase up to 2 additional territories (for a total purchase of 3 territories) at the time you purchase the Franchise or thereafter. However, GHC reserves the right to, in its sole discretion, allow certain franchisees to purchase additional territories (in excess of the 3 territories that are available for purchase for all franchisees). You will sign a Franchise Agreement for the second and third territories. Prior to the execution of a Franchise Agreement, a detailed written description of the additional territory (or territories) will be provided to you.

We will not open a GHC-owned location using the Marks, or authorize any other party to open a location using the Marks within your Territory (or territories) that provides Services to Clients and Care Recipients, so long as you are not in default under your Franchise Agreement(s).

In the Franchise Agreement, you acknowledge that territories will be assigned by GHC in its sole discretion and that cross state border coverage is customarily prohibited by applicable state laws, and that territory coverage may also be affected by licensure or regulatory body rules.

### **B. Franchisee Services Outside of the Territory**

You will provide Services to Care Recipients whose principal residence is in the Territory, including to such Care Recipients that require initial services at an acute facility located outside of the Territory (e.g., hospital, rehabilitation facility).

You are not permitted to provide Services to Care Recipients located outside of your Territory unless: (a) the Care Recipient’s principal residence is in an area within the state where the Territory is located, which is not assigned to any franchisee (the “Unassigned Territory”); provided, however, that GHC reserves the right to reassign these Care Recipients if the Unassigned Territory subsequently becomes part of another franchisee’s territory; (b) GHC receives a request on behalf of a Care Recipient whose principal residence is outside the Territory requesting a reassignment to a different GHC Business; or (c) an existing Care Recipient subsequently moves his or her principal residence to a territory assigned to

another franchisee (provided that your right to service the Care Recipient will terminate if there is a 3-month or longer gap in Services). If there is a 3-month gap in Services, then the records regarding the Care Recipient must be turned over to the franchisee which has purchased the Territory in which the Care Recipient resides.

You acknowledge and agree that other System franchisees may service Care Recipients within your Territory based upon the above described factors.

In the event you are unable to supply an appropriate Caregiver for a Care Recipient whose principal residence is within your Territory, you agree to refer for coverage, in a timely manner, the Care Recipient to the nearest franchise(s) or company-owned business. You acknowledge and agree that similar referrals may be made to you from other franchised or company-owned offices for similar reasons. In the event of a Care Recipient referral, fees paid will be attributable to the Gross Receipt revenues of the franchise or company-owned office referring Care Recipient. Furthermore, that franchise or company-owned office will continue to have the option of providing Services to that Care Recipient as long as that franchise or company-owned office is able to supply a suitable Caregiver and there is no more than a 3-month gap in Services by that franchised or company-owned office.

You agree to (a) refer to GHC any and all third-party, large scale or multi-territory referral contracts; (b) coordinate with other GHC offices in referral relationship building activities; and (c) share opportunities and consider regional brand-building activities with GHC and other System offices in your territory to benefit all offices in potential time and cost savings.

### **C. GHC Reserved Rights**

GHC reserves the right (a) to use the Marks and System itself in connection with selling products and Services, provided that such use is not competitive with the Franchisee Services; (b) to grant consent to another franchisee or company-owned office to provide other types of services, which are not the same as the Franchisee Services, under different trademarks within or outside your Territory; (c) to operate and/or license others to operate franchised or company-owned offices outside of your Territory; (d) to develop and establish other lines of businesses, products, and services which are not a part of the System, but which may be related to the System, using similar proprietary marks (other than “Griswold Home Care”) and business systems, or any other proprietary marks, and to grant franchises for those businesses, products, and services; provided, however, that if GHC develops and franchises another such line of business, products, or services, and offers such franchise in your Territory, GHC will first offer to you the franchise rights prior to offering the rights to any other party and without charging a new initial franchise fee; and further provided that if you are already operating a business offering products or services to be offered by GHC’s new franchise offering, you have the right to continue the business. (If you are operating a business offering products or services to be offered by GHC’s new franchise offering, you will have the right to continue in such business, and GHC will not seek to convert any acquired home care business to the Marks in your Territory.); and (e) to develop other products, services, or technologies related to the System and using the “Griswold Home Care” marks within or outside the Territory, provided that if GHC develops such products, services, or technologies, and markets them and generates revenues from them in your Territory, GHC will discuss sharing a portion of such revenues with franchisees in its business judgment and in consultation with franchisees.

In addition, in connection with the assignment or reassignment of any Care Recipient, GHC reserves the right to (a) assign and/or reassign any Care Recipient whose principal residence is within your Territory who requests to be reassigned to another franchisee or a company-owned office for good cause (other than pricing or Business Models); (b) consent to another franchisee or company-owned office to facilitate the provision of Caregiving Services to a Care Recipient whose principal residence is in your Territory for

good cause (other than pricing or Business Model), unless there is at least a 3-month gap in service (in which even the Care Recipient will revert and be serviced by the franchisee or company-owned office in which the Care Recipient resides); or (c) allocate to other franchisees and/or company-owned offices any and all Regional/National Contracts in the event you decline to service such a contract, are unable or unwilling to perform under the contract, or are otherwise in default of your Franchise Agreement.

You acknowledge and expressly understand and agree that you are not authorized to offer, sell, or perform, under the Marks, supplemental staffing services, or refer others to perform any services of a medical nature, within the Territory, except as GHC reasonably permits in writing and is allowed by state law or regulations or as described in the state compliance manual.

GHC, although under no obligation to do so, may negotiate and enter into national or regional contracts with third-party payer, large scale or multi-territory referral contracts (the “Regional/National Contracts”) that afford all GHC offices, among other things, an expanded referral network and Client base. You must refer all prospective Regional/National Contract opportunities to GHC. You expressly authorize GHC to enter into Regional/National Contracts and agree to be bound by the terms of such contracts. You must service any Regional/National Contract Recipients whose principal residence is in the Territory in accordance with the procedures set forth in the Operations Manual or in periodic memoranda provided by GHC. In the event that you are in default of your obligations under the Franchise Agreement, or are otherwise unable or unwilling to comply with any of the terms of a Regional/National Contract, GHC will have the right, in its reasonable business judgment, to contract with another GHC Business or company-owned office operating under the Marks and System to provide such services to the Regional/National Contract Client whose principal residence is within the Territory on the terms and conditions contained in the Regional/National Contract. To the extent GHC has Regional/National Contracts, GHC will provide incentive programs from time to time to reward franchisees for referring prospective Regional/National Contracts. GHC will use its best efforts to assist franchisees that refer prospective Regional/National Contracts.

Under the Franchise Agreement, you do not have: (a) any right to offer any product or service via e-commerce; (b) any right to establish an independent website or to establish a URL incorporating the Marks or any variation except as GHC has authorized; or (c) any right to distribute, market, or implement GHC’s products and services in any channel of distribution not specifically identified in the Franchise Agreement. Except as described in this Item 12, we may not modify your Territory.

### **ITEM 13** **TRADEMARKS**

Under the Franchise Agreement, we grant you the right to operate the Franchise under the names *GRISWOLD HOME CARE*® and under other Marks, including the logo set forth on the Disclosure Document cover page.

You are prohibited from using any of the Marks as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos to which you are granted permissive use by GHC). In addition, you may not use any of the Marks in connection with the sale of any unauthorized product or Services or in any other manner not explicitly authorized by GHC, nor any other logo, name or mark in connection with the provision of Services under the Franchise Agreement.

We have registered the following service marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”), and, as of the issuance date, have filed all required affidavits and renewals where applicable:

MARK	REGISTRATION NUMBER	REGISTRATION DATE	RENEWAL FILED
GRISWOLD	5942145	December 24, 2019	N/A
GRISWOLD HOME CARE	5942144	December 24, 2019	N/A
HEMOCARE ACADEMY	5854536	September 10, 2019	N/A
<i>GRISWOLD SPECIAL CARE A TRADITION OF HEMOCARE EXCELLENCE® (&amp; Design)</i>	2459352	June 12, 2001	December 12, 2011
<i>ACCELACARE DRIVING EXCELLENCE. DELIVERING CARE.® (&amp; Design)</i>	4268703	January 1, 2013	N/A
<i>GRISWOLD HEMOCARE (&amp; Design)</i>	4326861	April 30, 2013	N/A
CareAssure Screening System (and Design)	4352536	June 18, 2013	N/A
WE GIVE PEOPLE THE HELP THEY NEED TO LIVE IN THE PLACE THEY LOVE	5399282	February 13, 2018	N/A
DELIVERED WITH HEART	5399281	February 13, 2018	N/A

There is no effective determination by the USPTO, the trademark administrator of this State or any court or any pending material litigation involving proprietary marks which are material to the Franchise. There are no known infringements, opposition or cancellation proceedings, nor unsuccessful attempts to register of which GHC is currently aware.

There are no agreements currently in effect that significantly limit the rights of GHC to use or license the use of the above-mentioned trademarks, service marks, trade names, logotypes, or other commercial symbols in any manner material to the Franchise; nor in association with other products or services GHC may choose to market or trade under this or other marks.

In the event of any infringement of, or challenge to your use of any of the Marks or System, you will immediately notify GHC. GHC has the sole right to direct and control any administrative proceeding or litigation involving the Marks or the System, including any settlement. GHC is not required to defend you against any infringement, unfair competition or other claim respecting your use of any Mark or the

System; however, GHC will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of the use of any of the Marks, provided that you have previously notified GHC of such claim and that your use of the Marks is in accordance with the Franchise Agreement. If GHC, in GHC's reasonable business judgment, determines that you have not used the Marks in accordance with the Franchise Agreement, you will bear the cost of such defense, including the cost of any judgment or settlement. You will cooperate with us in any such action.

GHC reserves the right, in its reasonable business judgment and consultation with GHC franchisees, to substitute different proprietary marks for use in identifying the System and the businesses operating under the System. You will discontinue using all Marks which GHC has modified or discontinued within 90 days of receiving written notice from GHC and, at your sole cost and expense, will promptly begin using such additional, modified or substituted Marks.

GHC has the right, but not the obligation, to take action against uses by others that may constitute infringement of the GHC's rights to the Marks or the System. You will cooperate with all reasonable requests for assistance by GHC in connection with any such actions.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, GHC's ownership, title, right or interest in its Marks and System which are part of the GHC Business or contest GHC's sole right to register, use or license others to use such Marks or System. Any and all goodwill arising from your use of the Marks will inure solely and exclusively to GHC's benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks. However, if you elect to sell the GHC Business as permitted by the Franchise Agreement, you have a right to sell Client lists developed by you, the Caregiver lists developed by you, other lists (as permitted by the Franchise Agreement), and the goodwill of your Franchise, as part of the sale of the Franchise as an operating business.

There are no superior prior rights or infringing uses actually known to GHC that could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any other state in which the Franchise business is to be located.

#### **ITEM 14**

#### **PATENTS AND COPYRIGHTS & PROPRIETARY INFORMATION**

We do not own any patents or registered copyrights that are material to the Franchise, nor do we have any such applications pending. However, GHC does own proprietary rights to the contents of the Operations Manual including all forms and materials used in the business systems. The Franchise Agreement requires you to acknowledge that, except as specifically described in the Franchise Agreement, your entire knowledge of GHC Services, which is derived from information disclosed to you by GHC pursuant to the Franchise Agreement, including business systems, referrals, and contacts included in Regional/National Contracts, manual, tactics, strategies, and materials; information about proprietary products; any proprietary software GHC has or may create, and the Operations Manual, are proprietary and confidential and a trade secret of GHC. We refer to this as "Confidential Information." Other information that has been developed by you, including Client information, Caregiver rosters, and referral sources is considered "Joint Confidential Information." GHC has established comprehensive security procedures to maintain the secrecy of all such proprietary information.

The Franchise Agreement further provides that: (1) GHC and you will fully and strictly adhere to all security procedures prescribed by GHC in its reasonable business judgment for maintaining the secrecy of such Confidential Information and Joint Confidential Information; (2) GHC and you will disclose

Confidential Information to your office employees only to the extent necessary to market GHC's services and for the operation of the Franchise in accordance with the Franchise Agreement; (3) you will obtain a non-disclosure agreement from all internal office employees prior to hiring, and from all vendors that will have access to such Confidential Information and Joint Confidential Information; (4) you will not use any Confidential Information and Joint Confidential Information in any other business or in any manner not specifically authorized or approved in writing by GHC or expressly permitted by the Franchise Agreement; and (5) GHC and you will exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all Confidential Information during and after the term of the Franchise Agreement.

There are no agreements currently in effect that significantly limit the rights of GHC to use or license the use of the above-mentioned proprietary materials in any manner material to the Franchise. We are not required by the Franchise Agreement to defend you against any infringement, unfair competition or other claim respecting your use of any GHC proprietary material. There are no infringing uses actually known to GHC that could materially affect your use of our proprietary material in this state or any other state in which the Franchise business is to be located.

There is no other effective determination by the USPTO or any court or any pending material litigation involving proprietary material which is material to the Franchise. There are no known infringements, opposition or neither cancellation proceedings nor unsuccessful attempts to register of which GHC is currently aware.

We reserve the right to supplement, improve, or otherwise modify the Marks and/or System from time to time in our reasonable business judgment and consultation with GHC franchisees, and you must comply with all changes and any cost associated with changes required in your GHC Business operations will be yours alone. In the event of any conflict regarding the content of the Operations Manual, the Operations Manual posted on the intranet system will control.

Once in use by your GHC Business, all current and prior case/Client lists and files, phone and contact lists, Caregiver/resource files, Rolodex/file cards, computerized databases, records, software, etc. containing Client, Caregiver, or employee marketing and financial data of any type however developed or stored will be, become and remain our property at all times during and after the term of the Franchise Agreement or following expiration or termination of the Franchise Agreement for any reason; provided, however, that after expiration, termination, non-renewal, or sale, you will jointly own such records and joint confidential information to the extent necessary for compliance with law and for use in any non-competing business by you or your principals, subject to applicable privacy laws including HIPAA.

**ITEM 15**  
**YOUR OBLIGATION TO PARTICIPATE IN**  
**THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must individually sign the Franchise Agreement. Spouses are also strongly encouraged to sign the Franchise Agreement. The Franchise Agreement expressly provides that, for the first 3 years of operation, you must directly supervise, manage and devote your full time and energies to the operation to the Franchise. Thereafter, or if you sign the Addendum to Full Employment Franchise Agreement for Existing Franchisees, we do not require you to participate personally in the direct operation of the Franchise, provided that the Franchise must at all times be under the direct supervision of a manager (who may be you) who has been approved by GHC, has been suitably trained to our satisfaction, devotes full time and effort to the management of the Franchise, and operates the Franchise in accordance with the Franchise Agreement. Permission to hire a particular manager will not be unreasonably withheld by us.

The manager may not have any interest as an owner, employee, director, officer, salesperson, representative, agent, or in any other capacity in any other business competitive with us.

You agree to require each and every officer, director, general partner, owner, shareholder, member and/or managers of yours to sign GHC's standard form Confidentiality & Non-Competition Agreement, the form of which is attached as Attachment 5 to the Franchise Agreement, which provides that such individual will maintain the confidentiality of GHC's confidential information and will not directly nor indirectly compete with GHC within the territory, a radius of 20 miles of the territory, the territory of any other GHC franchisee, or within 20 miles of any existing franchise or company-owned office during the term of employment and for a 1-year period following the termination, by either party for any reason, of employee's employment with you.

You also must obtain from each and every full and/or part-time office employee a signed confidentiality & non-competition agreement, which provides that such employee(s) will maintain the confidentiality of GHC's confidential information, to neither directly nor indirectly compete with GHC during the term of employment and during the one-year period following any termination of employment, by either party for any reason. Such agreement, which will be in a form that we prescribe, will identify us as a third party beneficiary to the agreement and give us independent enforcement rights.

Upon termination of the Franchise Agreement for any reason or the expiration and non-renewal of the Agreement, you have certain post-term obligations which are more fully explained in Section 17 of the Franchise Agreement.

If you assign your interest in the Franchise Agreement to a corporation, limited liability company, partnership, limited partnership or other corporate organization (an "Entity"), you and any other individual holding 5% or more of the ownership interest in the Entity (each, a "Principal") must remain personally liable in all respects under the Franchise Agreement and each Principal must execute on a form approved by GHC a personal guarantee and agreement not to sell, assign, pledge, mortgage or otherwise transfer, alienate or encumber his or her ownership interests in the Entity without GHC's prior written consent. You must have all Caregivers sign a standard Client non-interference, non-solicitation, non-disclosure agreement or understanding prior to being employed by the Franchise, if allowed by applicable law.

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

Currently, you must offer and sell all of the services that we require, and only the services which we authorize. You may not offer to sell or provide at or through the Franchise any products or services that GHC has not previously approved in writing. You may not offer any products or services which do not meet our standards and specifications. The Services provided by the Franchise must be (a) provided in keeping with applicable federal, state, and local law; (b) must be limited to supplying personal care, homemaking, companion care, incidental transportation, and other ancillary, supportive services specifically approved by us; and (c) must be rendered under the GHC Marks only. Services authorized may change from time to time in your state if regulations applicable to your Franchise change or for other reasons. Nothing in this Item restricts you from providing non-competing services as a part of other businesses that do not use the GHC name or in your individual capacity.

We reserve the right to develop and establish other lines of businesses, products, and services which are not a part of the System, but which may be related to the System. Such additional products and services are not mandatory but may be offered to you on a voluntary basis. Whether your Franchise can offer

these additional services will depend on your location, interest and/or the scope of licensures available in your state. Additional training and start up fees may be required, if we authorize you to offer these additional services. If we develop and franchise such additional services, and offer such franchise in your Territory, GHC will first offer to you the franchise rights prior to offering the rights to any other party. You may not expand your scope of service absent our prior written consent, which we have the right to withhold for any reason. See also Item 12.C under the subheading “Reserved Rights.”

**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 AGREEMENT	SUMMARY
a. Length of the franchise term.	Section 2	Term is 10 years. If you sign the Addendum to Full Employment Franchise Agreement for Existing Franchisees because you are converting to the Full Employment Model, your term will be remainder of the term under existing Franchise Agreement. If you sign the Addendum for Existing Franchisees in connection with a renewal term of your Full Employment Model Franchise, you will receive a 5-year renewal term.
b. Renewal or extension of the term.	Section 2.2	You may renew the Franchise Agreement in 5-year increments, if not otherwise in default, at no additional cost.
c. Requirements for you to renew or extend.	Section 2.2	Provide written notice of your intent to renew within 75 days of receipt of notice of expiration of the term; not be in default under the Franchise Agreement or any other agreement with GHC; established and maintained a reputation for quality of Services which meets GHC standards; successfully pass periodic Quality Reviews; complete any incomplete trainings; if necessary, bring the franchise up to GHC’s then-current reasonable standards; maintain and or refurbish any physical franchise premises, if any; sign GHC’s then-current form of Franchise Agreement and meet the annual sales requirement. Our then-current form of Franchise Agreement may have materially different terms and conditions than your original contract.
d. Termination by you.	No provision	You do not have the contractual right to terminate the Franchise Agreement; provided, however you

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by GHC w/o cause.	No provision	Not applicable.
f. Termination by GHC w/cause.	Section 15	We may terminate if you do not comply with all aspects of your Franchise Agreement and Operations Manual, among other causes.
g. "Cause" defined – curable defaults.	Section 15.2	We have the right to terminate the Franchise Agreement upon notice and a 30-day cure period for: failure to operate within 90 days of training completion; failure to deposit all Gross Receipts into your designated bank account on or before the due date for the weekly sales report; failure to make Minimum Royalty payments or minimum General Marketing Fund contributions; failure to report incidents to GHC; failure to maintain adequate records; failure to successfully pass Quality Reviews or submit to GHC written plans of correction; failure to adhere to material provisions of the Franchise Agreement; failure to operate in accordance with any federal, state, county, or local laws; or misuse of Marks or confidential information.
h. "Cause" defined – non-curable defaults.	Section 15.1	Non-curable defaults include an assignment for benefit of creditors or files for bankruptcy; failure to operate the franchise; conviction of a felony; the unauthorized transfer or assignment of the franchise agreement or the Franchise; trademark misuse; material misrepresentations or misstatements on the franchise application or in connection with the renewal or assignment of the franchise agreement; the violation of the non-compete and/or confidentiality portions of Franchise Agreement; failure to operate the Franchise in accordance with any federal, state, county or local laws; if any governmental action is taken against you that results in any obligation upon GHC which in GHC's sole judgment is uneconomical, not in the best interests of GHC, or would result in GHC having an unintended relationship or obligation; or committing 3 curable defaults in 5 years.
i. Your obligations on termination/non-renewal.	Section 16.1	Obligations include: deposit all outstanding Gross Receipts into your designated bank account; return confidential information; turn over franchise records; complete de-identification with us; closure of any physical location if you have not

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		otherwise turned your physical premises over to us for continued operation; and cessation of all operations, see also (r) below.
j. Assignment of contract by GHC.	Section 14.1	No restriction on our right to assign.
k. "Transfer" by you – defined.	Section 14.2	Assignment, sale, transfer or encumbrance of the Franchise Agreement, the Franchise or any ownership interest in the franchisee.
l. GHC's approval of your transfer.	Section 14.3	We have the right of first offer on the assignment, sale, or transfer of your Franchise. If we do not exercise that right of first offer, we will not unreasonably withhold approval for the assignment, sale, or transfer of your territory. Your buyer has to execute the then-current form of Franchise Agreement.
m. Conditions for our approval of your transfer.	Section 14.3	You must provide proper advance notice; you must be in compliance with the Franchise Agreement; the transferee must meet all of GHC's then-current franchisee standards and successfully complete our training; the transferee must purchase GHC's then current required point of sale software; you must sign a release; you must pay any outstanding debts; you must pay a transfer fee; the transferee must sign GHC's then-current form of franchise agreement; see also (r) below.
n. GHC's right of first offer to acquire your Franchise.	Section 14.5	In the event you propose to transfer the Franchise to any third party (other than a corporation or limited liability company as set forth in Section 14.9 of the Franchise Agreement), you will first offer to sell such interest to us by setting forth the price, payment terms, and other material contract terms you will accept in a written letter of intent. GHC will then have the right and option, exercisable within 30 days after GHC receives the letter of intent, to notify you in writing that GHC intends to purchase the Franchise on the same terms and conditions contained in the letter of intent. If GHC exercises its option, closing will occur within 60 days after GHC notifies you of its intent to exercise its right of first offer.
o. GHC's option to purchase your personal property.	Section 16.4	We have an option to purchase any or all of your physical assets of the Franchise upon termination or expiration of the Franchise Agreement.
p. Your death or disability.	Section 14.7 and 14.8	If the Franchise is not under an agreement of sale within 6 months of your death, GHC will have the

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		right to market the Franchise on behalf of the estate and the estate will be bound to accept any reasonable agreement of sale negotiated by GHC. If your disability prevents you from resuming active management of the Franchise within 2 weeks, and management acceptable to GHC has not been installed, you or your agent will notify GHC of a management plan, which must be acceptable to GHC, to assure the smooth operation of the Franchise for the duration of the disabled party's disability. At the end of 1-month, you must demonstrate to GHC that you will be able to resume active management of the Franchise within the next 2 months. If any of GHC's conditions (Section 14.9) are not met, GHC will have the right to market the Franchise on the same terms as provided in Section 14.7 of the Franchise Agreement.
q. Non-competition covenants during the term of the franchise.	Section 17.1	No participation in competing, same or similar business for term of the Franchise Agreement.
r. Non-competition covenant after the Franchise is terminated or expires.	Section 17.2	One-year non-competition within the territory, the territory of any other GHC franchisee, a radius of 20 miles from the territory, or 20 miles of GHC Businesses or company-owned offices open at the time of the termination or transfer of your Franchise Agreement.
s. Modification of the agreement.	Section 21.3.1	Only if in writing.
t. Integration/merger clause.	Section 21.2	Only the terms of Franchise Agreement are binding (subject to state law). Any representations or promises made outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation.	Section 19.1, 19.2, and 19.3	GHC and you will provide notice of any claim or dispute with basis for such claim, along with proposed dates for both GHC and you to meet in person and to discuss such claim or dispute. If we fail to resolve such claim within 60 days of the notice, then either we or you may pursue mediation and arbitration. Prior to proceeding to arbitration, we or you will have the right to submit to mediation in Philadelphia, PA under the mediation rules of the American Arbitration Association then in effect. All disputes not resolved by negotiation or mediation, and not seeking emergency relief, are subject to arbitration in Philadelphia, PA. If the arbitration occurs in

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		Philadelphia, GHC will reimburse 50% of certain travel and lodging expenses that you incur. If the arbitration occurs in the Territory, you will be responsible for 50% of certain travel and lodging expenses incurred by GHC.
v. Choice of forum.	Section 19.4.3	All lawsuits must be brought before the United States District Court for the Eastern District of Pennsylvania, except for GHC actions for injunctive relief (subject to state law). You consent to the personal jurisdiction and venue of the Eastern District of Pennsylvania.
w. Choice of law.	Section 21.8	Pennsylvania law applies (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

There is currently no compensation or other benefit given or promised to a public figure arising, in whole or in part, from the use of a public person in our name, logo or the Franchise, or the endorsement or recommendation of the Franchise by a public figure in advertisements. Use of public images, photos, names, articles, publications, content, etc. is only with GHC's express written permission obtained in advance.

You have the right to use the name of a public figure in your promotional efforts or advertising *only* with our prior written approval. Any photo usage of clients or others for media opportunities must have written releases executed by such individuals or their respective guardians on file prior to usage.

There are no public figures involved in our actual management or control.

**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 company-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.

**Background**

This Item presents historical data relating to Gross Receipts reported by certain of our Full Employment Model franchisees. This data was collected in calendar year 2019, prior to the COVID-19 pandemic. The

franchisees included in this Item operate businesses substantially similar to the business being offered in this Disclosure Document. Because franchisees are granted the right to provide services in a specific territory rather than at a specific outlet or location, we refer to each outlet as a “territory” in this Item 19. The territories included in this Item 19 have been divided into 2 groups: (a) territories operated by franchisees who only operate a single territory and (b) territories operated by franchisees who operate multiple territories. Written substantiation of the data used in preparing this information will be made available upon reasonable request. We have not audited this information, nor independently verified the information received from franchisees.

“Gross Receipts” is defined as the aggregate of all monies received by a franchisee as a result of the provision of all Services and goods provided by the franchise during the preceding reporting period. Gross Receipts does not include the amount of any applicable sales tax imposed by and paid to any federal, state, municipal, or other governmental authority. Gross Receipts does not include Client reimbursements to franchisee for actual expenses (e.g. mileage) paid by franchisee on behalf of a Client. Also excluded from Gross Receipts are adjustments, including corrections of errors in billings and other reductions in billings given in order to develop and maintain Client relations and goodwill.

The information in this Item 19 does not contain any information concerning the operating costs and expenses that you will incur in operating your franchised business. We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. We strongly suggest that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a franchised business.

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

Other than what is represented in this Item 19, 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 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 Nicole Kosmaceski at 120 West Germantown Pike, Suite 200, Plymouth Meeting, PA 19462 (effective July 1, 2020, this address will be 510 Township Line Road, Suite 210, Blue Bell, PA 19422) or 267-448-5051; the Federal Trade Commission; and the appropriate state regulatory agencies.

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**Gross Receipts Earned by Full Employment Territories Owned by Single-Territory Owners**

**Table A** below presents the average and median Gross Receipts during the 12-month period January 1, 2019 through December 31, 2019 (the “Reporting Year”) for the 17 Full Employment Model franchised territories that were in operation for the entire Reporting Year and are owned by franchisees who operate only 1 territory. The territories included in **Table A** have populations ranging between 90,807 and 915,924, with a median territory population of 387,451.

**TABLE A  
Average and Median Gross Receipts  
By Number of Years in Operation  
Calendar Year 2019**

<b># of Years the Territory was Operating</b>	<b># of Territories in subset</b>	<b>Average Gross Receipts</b>	<b># of Territories that met or exceeded the Average</b>	<b>Highest Gross Receipts</b>	<b>Lowest Gross Receipts</b>	<b>Median Gross Receipts</b>
≥20	4	\$1,783,615.57	2 (50%)	\$4,168,992.28	\$613,347.00	\$1,176,061.50
≥15 and <20	7	\$808,093.75	3 (42%)	\$1,821,247.00	\$64,505.25	\$596,811.95
≥10 and <15	2	\$481,604.60	1 (50%)	\$756,991.20	\$206,218.00	\$481,604.60
≥5 and <10	3	\$1,191,108.81	2 (67%)	\$1,934,880.50	\$331,429.33	\$1,307,016.58
≥2 and <5	1	\$475,421.25	1 (100%)	\$475,421.25	\$475,421.25	\$475,421.25
<b>All Territories</b>	<b>17</b>	<b>\$1,047,239.73</b>	<b>6 (35%)</b>	<b>\$4,168,992.28</b>	<b>\$64,505.25</b>	<b>\$756,991.20</b>

[The remainder of this page is intentionally left blank.]

**Gross Receipts Earned by Full Employment Territories Owned by Multiple-Territory Owners**

**Table B** below presents the total Gross Receipts during the 12-month period January 1, 2019 through December 31, 2019 (the “Reporting Year”) for the 63 Full Employment Model franchised territories that were in operation for the entire Reporting Year and are owned by franchisees who operate multiple territories. The Table does not include 5 territories (2 owners) that converted from Registry Model to Full Employment Model during the Reporting Year, and 2 territories (1 owner) that ceased operations during the Reporting Year. The territories included in **Table B** have populations ranging between 126,132 and 1,670,582, with a median territory population of 392,898. To protect the privacy of each franchisee, the franchisees are described by numbers. Each franchisee’s territories are arranged in the order in which they began operation. Please note that multiple-territory owners do not always report their Gross Receipts in the territory in which those Gross Receipts were generated. A franchisee showing \$0.00 revenue in a particular territory owns and operates that territory, but reports such revenue in another territory. A blank gray box indicates that the franchisee does not own and operate that number of territories.

**TABLE B  
Total Gross Receipts By Franchisee and Territory  
Calendar Year 2019**

<b>Franchisee</b>	<b>1st Territory</b>	<b>2nd Territory</b>	<b>3rd Territory</b>	<b>4th Territory</b>	<b>5th Territory</b>
1	\$1,287,937.83	\$3,085,916.18	\$1,370,108.68	\$1,369,344.90	\$1,142,918.88
2	\$2,637,902.40	\$0.00	\$0.00	\$0.00	
3	\$1,613,340.83	\$0.00	\$0.00	\$0.00	
4	\$1,518,579.45	\$444,052.00	\$785,306.77		
5	\$1,285,174.65	\$316,400.75	\$622,692.25		
6	\$0.00	\$856,677.00	\$0.00		
7	\$316,637.00	\$255,626.50	\$187,335.75		
8	\$534,515.25	\$104,460.20	\$98,100.22		
9	\$6,252,748.20	\$0.00			
10	\$3,524,082.50	\$0.00			
11	\$1,150,234.27	\$1,031,578.97			
12	\$981,097.48	\$1,045,452.45			
13	\$674,788.53	\$1,035,880.48			
14	\$465,909.38	\$1,051,632.92			
15	\$226,865.08	\$1,192,042.50			
16	\$776,564.80	\$446,215.45			
17	\$1,179,251.32	\$0.00			
18	\$1,168,807.87	\$0.00			
19	\$1,161,929.77	\$0.00			
20	\$348,378.50	\$664,975.50			

Franchisee	1st Territory	2nd Territory	3rd Territory	4th Territory	5th Territory
21	\$349,317.75	\$0.00			
22	\$666,819.48	\$0.00			
23	\$607,680.32	\$0.00			
24	\$221,875.00	\$225,000.00			
25	\$0.00	\$338,480.50			
26	\$71,985.25	\$17,735.50			

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

In 2016 we began offering franchises for new Full Employment Model outlets. In some instances, GHC has permitted franchisees to operate separate businesses in the same territory under separate Franchise Agreements, one of which operates under a Registry Business Model and the other of which operates under a Full Employment Business Model. We refer to this as a dual business model (“Dual Business Model”). Many existing Registry Model franchisees have been or will be offered the opportunity to formally convert to the Full Employment Model. Some have converted fully to the Full Employment Model, and others are operating under the Dual Business Model. In this Item 20, we separately identify those businesses operating under the Registry Model, the Full Employment Model (the franchise offering described in this Franchise Disclosure Document), and the Dual Business Model. An outlet that converted from the Registry Model to the Full Employment Model is listed as having “ceased operations” in the Registry Model tables, and as having “opened” in the Full Employment Model table.

**Outlet Summary for Full Employment Model Businesses**

Since 2012, certain franchisees that signed Registry Model franchise agreements have operated their franchises under the Full Employment Model. In this Item 20, each Full Employment Model outlet is listed as “opened” as a Full Employment Model outlet based on when it began operation under the Full Employment Model.

**Table 1a**  
**System-wide Outlet Summary**  
**Full Employment Model Outlets**  
**For years 2017-2019**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	84	86	+2
	2018	86	84	-2
	2019	84	87	+3

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned	2017	14	19	+5
	2018	19	19	0
	2019	19	14	-5
<b>Total Outlets</b>	<b>2017</b>	<b>98</b>	<b>105</b>	<b>+7</b>
	<b>2018</b>	<b>105</b>	<b>103</b>	<b>-2</b>
	<b>2019</b>	<b>103</b>	<b>101</b>	<b>-2</b>

**Table 2a**  
**Transfers of Full Employment Model Outlets**  
**from Franchisees to New Owners (Other than the Franchisor)**  
**For years 2017-2019**

State	Year	Number of Transfers
Delaware	2017	0
	2018	0
	2019	3
Georgia	2017	1
	2018	0
	2019	0
Ohio	2017	2
	2018	0
	2019	0
Texas	2017	1
	2018	0
	2019	1
<b>Totals</b>	<b>2017</b>	<b>4</b>
	<b>2018</b>	<b>0</b>
	<b>2019</b>	<b>4</b>

**Table 3a**  
**Status of Full Employment Model Franchised Outlets**  
**For years 2017-2019**

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
Arizona	2017	1	3	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Colorado	2017	8	0	0	0	0	0	8
	2018	8	0	0	0	0	0	8
	2019	8	0	0	0	0	0	8

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
Connecticut	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
Delaware	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Georgia	2017	5	0	0	0	0	1	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Kansas	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Maryland	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Massachusetts	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	2	3
	2019	3	0	0	0	0	0	3
Michigan	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Minnesota	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
New Hampshire	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	2	0
	2019	0	0	0	0	0	0	0
New Jersey	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	2**	0	0	0	0	3
North Carolina	2017	7	0	0	0	0	0	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
Ohio	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
Oklahoma	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2

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
Pennsylvania	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
South Carolina	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Tennessee	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Texas	2017	15	0	0	0	0	0	15
	2018	15	0	0	0	0	0	15
	2019	15	3	2	0	0	0	16
Vermont	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Virginia	2017	8	0	0	0	0	1	7
	2018	7	0	0	0	0	0	7
	2019	7	0	0	0	0	0	7
<b>Totals</b>	<b>2017</b>	<b>85</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>86</b>
	<b>2018</b>	<b>86</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>84</b>
	<b>2019</b>	<b>84</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>87</b>

\* An outlet that converted from the Registry Model to the Full Employment Model will be listed as having “ceased operations” in the Registry Model table (Table 3b), and as having “opened” in this Full Employment Model table (Table 3a).

\*\* These two outlets were transferred, together, from one franchisee to another existing franchisee, in 2019, and were both converted from Registry Model to Full Employment Model. They are listed in this Table 3a as having “opened,” in the Registry Model table (Table 3b) as having “ceased operations,” and in the Transfers of Registry Model Outlets table (Table 2b) as transfers.

**Table 4a**  
**Status of Full Employment Model Company-Owned Outlets**  
**For years 2017-2019**

State	Year	Outlets at Start of Year	Outlets Opened*	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Illinois	2017	0	5	0	0	0	5
	2018	5	0	0	0	0	5
	2019	5	0	0	5	0	0

Maryland	2017	3	0	0	0	0	3
	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
New Jersey	2017	3	0	0	0	0	3
	2018	3	0	0	0	0	3
	2019	3	0	0	0	0	3
Pennsylvania	2017	8	0	0	0	0	8
	2018	8	0	0	0	0	8
	2019	8	0	0	0	0	8
<b>Totals</b>	<b>2017</b>	<b>14</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
	<b>2018</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
	<b>2019</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>14</b>

\* An outlet that converted from the Registry Model to the Full Employment Model will be listed as having “closed” in the Registry Model table, and as having “opened” in the Full Employment Model table.

**Table 5a**  
**Projected Openings of Full Employment Model Outlets**  
**As of December 31, 2019**

State	Franchise Agreement Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Year
Illinois	0	2	0
Maryland	1	0	0
Minnesota	0	2	0
North Carolina	0	2	0
Ohio	0	2	0
Virginia	0	2	0
Wisconsin	0	1	0
<b>Totals</b>	<b>1</b>	<b>11</b>	<b>0</b>

**[The remainder of this page is intentionally left blank.]**

**Outlet Summary for Registry Model Businesses**

**Table 1b  
System-wide Outlet Summary  
Registry Model Outlets  
For years 2017-2019**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2017	94	83	-11
	2018	83	85	+2
	2019	85	78	-7
Company-Owned	2017	5	0	-5
	2018	0	0	0
	2019	0	0	0
<b>Total Outlets</b>	2017	<b>99</b>	<b>83</b>	<b>-16</b>
	2018	<b>83</b>	<b>85</b>	<b>+2</b>
	2019	<b>85</b>	<b>78</b>	<b>-7</b>

**Table 2b  
Transfers of Registry Model Outlets  
from Franchisees to New Owners (Other than the Franchisor)  
For years 2017-2019**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Maryland	2017	0
	2018	1
	2019	0
New Jersey	2017	0
	2018	0
	2019	2*
<b>Totals</b>	<b>2017</b>	<b>0</b>
	<b>2018</b>	<b>1</b>
	<b>2019</b>	<b>2</b>

\* These two outlets were transferred, together, from one franchisee to another existing franchisee, in 2019, and were both converted from Registry Model to Full Employment Model. They are listed in this Table 2b as transfers, in the Registry Model table (Table 3b) as having “ceased operations,” and in the Full Employment Model table (Table 3a) as having “opened.”

**Table 3b**  
**Status of Registry Model Franchised Outlets**  
**For years 2017-2019**

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
California	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Florida	2017	20	0	0	0	0	0	20
	2018	20	1	0	0	0	0	21
	2019	21	0	0	0	0	0	21
Illinois	2017	5	0	0	0	0	3	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Indiana	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Iowa	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Kentucky	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	1	0	0	0	0
Louisiana	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Maryland	2017	4	0	0	0	0	2	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Michigan	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
Missouri	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
New Jersey	2017	14	0	0	0	0	0	14
	2018	14	0	0	0	0	0	14
	2019	14	0	0	0	0	2**	12
New York	2017	10	0	0	0	0	0	10
	2018	10	0	0	0	0	0	10
	2019	10	0	0	0	0	0	10

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
North Carolina	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
North Dakota	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Ohio	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	0	0	0	0	0	5
Oregon	2017	2	0	0	0	0	2	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Pennsylvania	2017	5	0	0	0	0	1	4
	2018	4	1	0	0	0	0	5
	2019	5	0	0	0	0	0	5
South Carolina	2017	6	0	0	0	0	1	5
	2018	5	1	0	0	0	0	6
	2019	6	0	0	0	0	0	6
Texas	2017	4	0	0	0	0	1	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	3	0
Utah	2017	2	0	0	0	0	1	1
	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
Washington	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
<b>Totals</b>	<b>2017</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>83</b>
	<b>2018</b>	<b>83</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>85</b>
	<b>2019</b>	<b>85</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>78</b>

\* An outlet that converted from the Registry Model to the Full Employment Model will be listed as having “ceased operations” in this Registry Model table (Table 3b) and as having “opened” in the Full Employment Model table (Table 3a).

\*\* These two outlets were transferred, together, from one franchisee to another existing franchisee, in 2019, and were both converted from Registry Model to Full Employment Model. They are listed in this Table 3b as having “ceased operations,” in the Full Employment Model table (Table 3a) as having “opened,” and in the Transfers of Registry Model Outlets table (Table 2b) as transfers.

**Table 4b**  
**Status of Registry Model Company-Owned Outlets**  
**For years 2017-2019**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed*	Outlets Sold to Franchisees	Outlets at End of Year
Illinois	2017	5	0	0	5	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
<b>Totals</b>	<b>2017</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>
	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* An outlet that converted from the Registry Model to the Full Employment Model will be listed as having “ceased operations” in the Registry Model table, and as having “opened” in the Full Employment Model table.

**Table 5b**  
**Projected Openings of Registry Model Outlets**  
**As of December 31, 2019**

State	Franchise Agreement Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
All States	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Outlet Summary for Dual Business Model**

**Table 1c**  
**System-wide Outlet Summary**  
**Dual Business Model Outlets**  
**For years 2017-2019**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	11	5	-6
	2018	5	5	0
	2019	5	5	0
Company-Owned	2017	0	0	0
	2018	0	0	0
	2019	0	0	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Total Outlets	2017	11	5	-6
	2018	5	5	0
	2019	5	5	0

**Table 2c**  
**Transfers of Dual Business Model Outlets**  
**from Franchisees to New Owners (Other than the Franchisor)**  
**For years 2017-2019**

State	Year	Number of Transfers
All States	2017	0
	2018	0
	2019	0
Totals	<b>2017</b>	<b>0</b>
	<b>2018</b>	<b>0</b>
	<b>2019</b>	<b>0</b>

**Table 3c**  
**Status of Dual Business Model Franchised Outlets**  
**For years 2017-2019**

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
Connecticut	2017	6	0	0	0	0	5*	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Massachusetts	2017	5	0	0	0	0	1	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Totals	<b>2017</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>5</b>
	<b>2018</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
	<b>2019</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

\* These outlets were operating under the Dual Business Model previously; in 2017, the franchisee ceased operation of the Registry Business Model portion of its business.

**Table 4c**  
**Status of Dual Business Model Company-Owned Outlets**  
**For years 2017-2019**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
All States	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Totals	<b>2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 5c**  
**Projected Openings of Dual Business Model Outlets**  
**As of December 31, 2019**

State	Franchise Agreement Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Year
All States	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>

A list of the names, addresses and telephone numbers of our franchisees operating under the Full Employment Model or the Dual Business Model as of December 31, 2019 is attached to this Disclosure Document as Exhibit E.

A list of the names, cities and states and last known business telephone numbers (or, if unknown, home telephone number) of every franchisee operating under the Full Employment Model or the Dual Business Model who has had a franchise agreement terminated, transferred, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is attached at the end of Exhibit E. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In the last 3 fiscal years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to communicate with you.

There is an unincorporated council of franchisees (the “Franchise Advisory Council” or “FAC”), elected by their peers, which assists in facilitating idea exchange and communications between franchisees and

GHC and provides input concerning the distribution of General Marketing Fund expenditures; your participation in or cooperation with that council is not currently required. GHC reserves the right to form, change or dissolve the FAC.

The following independent franchisee organization has asked to be included in this Disclosure Document (see also Item 11.D under the subheading “Consultation with Franchisees”):

**Griswold Home Care Franchisee Association (GHCFA)**  
Board of Directors  
an affiliated chapter of the American Association of Franchisees & Dealers  
P.O. Box 10158  
Palm Desert, CA 92255-1058,  
Phone: (619) 209-3775  
Fax: (866) 855-1988  
[GHCFA@aafdchapters.org](mailto:GHCFA@aafdchapters.org)

**ITEM 21**  
**FINANCIAL STATEMENTS**

Our fiscal year end is December 31. Exhibit F of this Franchise Disclosure Document contains our audited financial statements for our fiscal years ended December 31, 2019, 2018, and 2017, as well as our unaudited financial statements dated March 31, 2020.

**ITEM 22**  
**CONTRACTS**

The following contracts are attached to this Franchise Disclosure Document in the following order:

1. Franchise Agreement (Exhibit B-1)
2. Addendum to Full Employment Franchise Agreement for Existing Franchisees (Exhibit B-2)
3. Collateral Assignment of Lease/Consent and Agreement of Lessor (Exhibit B-3)
4. Conditional Assignment of Franchisee’s Telephone Number (Exhibit B-4)
5. Sample Mutual Termination and Release Agreement (Exhibit G)
6. Assignment and Assumption Agreement (Exhibit I)

**ITEM 23**  
**RECEIPTS**

Attached to this Disclosure Document as Exhibit K are 2 copies (a copy for you and a copy for us) of a document acknowledging your receipt of the Disclosure Document. You may return one executed hardcopy or utilize the electronic signature option through which the document was delivered.

**EXHIBIT A**

**STATE ADMINISTRATORS & AGENTS FOR SERVICE OF PROCESS**

STATE ADMINISTRATORS

We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b> Department of Business Oversight 320 West 4<sup>th</sup> Street, Suite 750 Los Angeles, California 90013 (213) 576-7500</p>	<p><b>MICHIGAN</b> Michigan Attorney General’s Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117</p>
<p><b>HAWAII</b> Department of Commerce &amp; Consumer Affairs Commissioner of Securities of the State of Hawaii Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p>	<p><b>MINNESOTA</b> Commissioner of Commerce Minnesota Department of Commerce 85 Seventh Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 296-6328</p>
<p><b>ILLINOIS</b> Office of Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4436</p>	<p><b>NEW YORK</b> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax</p>
<p><b>INDIANA</b> Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><b>NORTH DAKOTA</b> North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Dept 414 Bismarck, ND 58505-0510 (701) 328-4712</p>
<p><b>MARYLAND</b> Maryland Securities Division Franchise Examiner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-7042</p>	<p><b>RHODE ISLAND</b> Division of Business Regulation Division of Securities 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, Rhode Island 02920-4407 (401) 462-9527</p>

<p><b>SOUTH DAKOTA</b>  South Dakota Dept. of Labor &amp; Regulation  Division of Insurance - Securities Regulation  124 S. Euclid Suite 104, 2nd Floor  Pierre SD 57501  (605) 773-3563</p>	<p><b>WASHINGTON</b>  Administrator  Department of Financial Institution  Securities Division  150 Israel Road SW  Tumwater, Washington 98501  (360) 902-8760</p>
<p><b>VIRGINIA</b>  State Corporation Commission  Division of Securities and Retail Franchising  1300 E. Main Street, 9<sup>th</sup> Floor  Richmond, Virginia 23219  (804) 371-9051</p>	<p><b>WISCONSIN</b>  Franchise Administrator  Division of Securities  Department of Financial Institutions  P.O. Box 1768  Madison, Wisconsin 53701  (608) 266-2801</p>

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<p><b>CALIFORNIA</b>  Commissioner – Department of Business Oversight  1515 K Street, Suite 200  Sacramento, California 95814</p>	<p><b>INDIANA</b>  Indiana Secretary of State  201 State House  Indianapolis, Indiana 46204</p>
<p><b>HAWAII</b>  Commissioner of Securities  State of Hawaii  335 Merchant Street, Room 203  Honolulu, Hawaii 96813</p>	<p><b>MARYLAND</b>  Commissioner of the Division of Securities  200 Saint Paul Place  Baltimore, Maryland 21202-2020</p>
<p><b>ILLINOIS</b>  Illinois Attorney General  500 South Second Street  Springfield, Illinois 62706</p>	<p><b>MINNESOTA</b>  Commissioner of Commerce  85 Seventh Place East, Suite 280  St. Paul, Minnesota 55101</p>
<p><b>NEW YORK</b>  New York Secretary of State  New York Department of State  One Commerce Plaza,  99 Washington Avenue, 6<sup>th</sup> Floor  Albany, NY 12231-0001  (518) 473-2492</p>	<p><b>VIRGINIA</b>  Clerk, State Corporation Commission  P.O. Box 1197  Richmond, Virginia 23219</p>

<p><b>NORTH DAKOTA</b>  Securities Commissioner  North Dakota Securities Department  600 East Boulevard Avenue  State Capitol – 5th Floor Dept 414  Bismarck, ND 58505-0510  (701) 328-4712</p>	<p><b>WASHINGTON</b>  Administrator of Securities  Department of Financial Institutions  Securities Division  150 Israel Road SW  Tumwater, Washington 98501  (360) 902-8760</p>
<p><b>RHODE ISLAND</b>  Director of Business Regulation  1511 Pontiac Avenue  John O. Pastore Complex-69-1  Cranston, Rhode Island 02920-4407</p>	<p><b>WISCONSIN</b>  Commissioner of Securities  Office of the Commissioner of Securities  201 W. Washington Ave., 3<sup>rd</sup> Floor  Madison, Wisconsin 53703</p>
<p><b>SOUTH DAKOTA</b>  Director of Division of Securities  South Dakota Dept. of Labor &amp; Regulation  Division of Insurance - Securities Regulation  124 S. Euclid Suite 104, 2nd Floor  Pierre SD 57501  (605) 773-3563</p>	

**EXHIBIT B-1**  
**FRANCHISE AGREEMENT**

*YOUR NAME HERE*

NAME OF TERRITORY HERE

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# FRANCHISE AGREEMENT

FULL EMPLOYMENT MODEL

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Attachment 1—Definitions

Attachment 2—Franchise Territory, Description & Map; and Franchisee Owners

Attachment 3—Initial Fees, Discounts, Other Payments, and Principal’s Ownership

Attachment 4—Electronic Funds Withdrawal Authorization

Attachment 5—Confidentiality and Non-Competition Agreement

GRISWOLD HOME CARE®  
**FRANCHISE AGREEMENT**

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THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into on the date on the signature page (the “Effective Date”), by and between Griswold International, LLC, a Delaware limited liability company (“Franchisor” or “GHC”), and the adult individual(s) named on the signature page (“Franchisee”):

**RECITALS**

A. GHC has developed and continues to refine a proprietary business system (the “System”) as further described in this paragraph. Franchisees identify people in need of assistance and match them with carefully screened, credentialed individuals (“Caregivers”), who provide personal care, home-making, companion care, incidental transportation, and other ancillary, supportive services (collectively, the “Caregiver Services”) to care recipients (“Care Recipients”). Franchisees also provide consultation to Clients and/or Care Recipients with respect to home care services consistent with the Business Model approved in the Franchisee’s Territory, and in accordance with applicable law; such identification, recruitment, placement, facilitation, and/or consultation comprise the Franchisee services (the “Franchisee Services”). Caregiver Services and Franchisee Services are referred to collectively as the Services (the “Services”).

B. GHC is the owner of certain rights and interests in and to the “GRISWOLD HOME CARE” name and such other trademarks, trade names, service marks, logos, insignia, trade dress, and designs now existing and which may be designated for use in the future (the “Marks”).

C. GHC grants qualified persons the right to open, own, and operate franchised businesses offering the Services and using the Systems and Marks within a designated territory (each, a “GHC Business”).

D. Franchisee desires to own and operate a Franchise and provide Franchisee Services under the Marks and the Systems in an identified geographic area under the terms and conditions of this Agreement.

E. Franchisee and GHC mutually acknowledge our shared commitment to promote the Marks and enhance customer goodwill toward the network of GHC Businesses operating under the Marks and System, by strengthening and growing the network of GHC Businesses operating under the Marks and System and dedicated to maintaining the dignity, comfort, safety, personal hygiene, well-being, and happiness of each and every Care Recipient we serve and by referring the highest quality professional Caregivers (the “Common Mission”). GHC and Franchisee each acknowledge that the success of this Common Mission is dependent on GHC and our franchisees working together in a spirit of mutual respect and cooperation. In furtherance of the Common Mission, the provisions of this Agreement are premised on the following guiding principles (the “Guiding Principles”): Franchisee should respect GHC’s ownership of the System, including the

Marks, trade secrets, Confidential Information, and the associated goodwill, and GHC's rights to determine the nature and quality of the products and services sold under the Marks, to control the manner in which the Marks are used and to enforce System standards. GHC should respect Franchisee's ownership interest in the going concern value of the Franchise, the investment in the Franchise made by Franchisee, and the Franchisee's interest in a long-term durable relationship.

## **AGREEMENT**

*NOW THEREFORE*, in consideration of the promises and the commitments in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

### **1. GRANT; TERRITORY**

*1.1 GRANT OF FRANCHISE.* GHC grants Franchisee the right to own and operate a Franchise (the "Franchise"), using the Marks and the System, under the terms and conditions in this Agreement. Franchisee accepts and undertakes the obligation, under the terms and conditions in this Agreement: (1) to establish and operate the Franchise under the Business Model selected within the Territory, as identified on Attachment 2 ("Territory"); and (2) to use the Marks (as GHC may update and/or replace them from time to time) and System.

*1.2 TERRITORY.* During the term of this Agreement, except as otherwise provided for in this Section, GHC agrees that it will not establish a GHC-owned business, or license any other person, other than Franchisee or Franchisee's Principals, to establish and operate another Franchise authorized to provide Franchisee Services within Franchisee's Territory. The Territory's name (the "Territory Name") is designated in Attachment 2 and cannot be changed without GHC's prior written consent. The Territory Name will be agreed upon at signing of the Franchise Agreement and will be used for all subsequent purposes.

*1.3 RESERVATION OF RIGHTS.* Except as specified in Section 1.2 hereof, the license of the Marks and System granted to Franchisee hereunder is nonexclusive and GHC retains the right, among others:

- 1.3.1* to use the Marks and System itself in connection with selling products and Services, provided that such use is not competitive with the Franchisee Services;
- 1.3.2* to grant consent to another franchisee or company-owned office to provide other types of services, which are not the same as the Franchisee Services, under different trademarks within or outside the Territory;
- 1.3.3* to operate and/or license others to operate franchised or company-owned offices outside of Franchisee's Territory;
- 1.3.4* to develop and establish other lines of businesses, products, and services which are not a part of the System, but which may be related to the System,

using similar proprietary marks (other than “Griswold Home Care”) and business systems, or any other proprietary marks, and to grant franchises thereto; provided, however, that if GHC develops and franchises another such line of business, products, or services, and offers such franchise in the Franchisee’s Territory, GHC will first offer to Franchisee the franchise rights thereto prior to offering such rights to any other party and without charging a new initial franchise fee. GHC acknowledges and agrees that, in the event Franchisee is operating a business offering products or services to be offered by GHC’s new franchise offering, Franchisee will have the right to continue in such business. GHC acknowledges that it will not seek to convert any acquired home care business to the Marks in Franchisee’s Territory; and

- 1.3.5 to develop other products, services, or technologies related to the System and using the “Griswold Home Care” marks within or outside the Territory. In the event that GHC develops such products, services, or technologies, and markets them and generates revenues from them in the Territory, it will discuss sharing a portion of such revenues with Franchisee in its Reasonable Discretion with Consultation with the franchisee representative group as defined in Section 18.2.

*1.4 PROVISIONS OF FRANCHISEE SERVICES IN TERRITORY.* Franchisor and Franchisee agree that:

- 1.4.1 Franchisee shall provide Franchisee Services to Clients and Care Recipients whose principal residence is in the Territory, including to such Care Recipients that require initial services at an acute facility located outside of the Territory (e.g., hospital, rehabilitation facility);
- 1.4.2 Franchisee will not facilitate the provision of Caregiver Services to Care Recipients whose principal residence is outside of the Territory (regardless of where the Services would be initiated or where the Services are requested to be delivered) unless: (a) the Care Recipient’s principal residence in an area within the state where the Territory is located, which is not assigned to any franchisee (the “Unassigned Territory”); provided, however, that GHC reserves the right to re-assign these Care Recipients if the Unassigned Territory subsequently becomes part of another franchisee’s territory; and further provided that Franchisee’s right to service the Care Recipient shall terminate if Franchisee does not facilitate the provision of Caregiver Services to the Care Recipient for a period of three (3) months; (b) GHC receives a request on behalf of a Care Recipient whose principal residence is outside the Territory requesting a reassignment to a different GHC Business; or (c) Franchisee’s existing Care Recipient moves his or her principal residence to a territory assigned to another franchisee (provided that Franchisee’s right to service the Care

Recipient shall terminate if Franchisee does not facilitate the provision of Caregiver Services to the Care Recipient for a period of three (3) months); and

- 1.4.3* In the event that Franchisee is facilitating the provision of Caregiver Services to a Care Recipient whose principal residence is in another franchisee's territory as provided in Section 1.4.2, or as otherwise approved by GHC or any impacted franchisee, Franchisee must have GHC's written approval or written documentation from the Franchisee owning the impacted Territory authorizing the servicing of the Care Recipient.
- 1.4.4* GHC reserves the right, in connection with the assignment or reassignment of any Care Recipient to:

  - 1.4.4.1* Assign or reassign any Care Recipient whose principal residence is within the Territory who requests to be reassigned to another franchisee or a company-owned office for good cause (other than pricing or Business Model);
  - 1.4.4.2* Consent to another franchisee or company-owned office to facilitate the provision of Caregiving Services to a Care Recipient whose principal residence is in the Territory for good cause (other than pricing or Business Model), unless there is at least a three -month gap in service (in which event the Care Recipient shall revert and be serviced by the franchisee or company-owned office in which the Care Recipient resides); or
  - 1.4.4.3* Allocate to other franchisees and/or company-owned offices any and all Regional/National Contracts (described in Section 1.5) in the event Franchisee declines to service such contract, is unable or unwilling to perform under the contract, or is otherwise in default of this Agreement.
- 1.4.5* In the event Franchisee is unable to supply an appropriate Caregiver for a Care Recipient whose principal residence is within the Territory, Franchisee agrees to refer for coverage, in a timely manner, the Care Recipient to the franchise or company-owned office nearest the Care Recipient's principal residence. (It is understood that similar referrals may be made to Franchisee from other franchised or company-owned offices for similar reasons.) In this event, fees paid shall be attributable to the revenues of the franchise or company-owned office servicing the Care Recipient. Furthermore, that franchise or company-owned office will continue to have the option of providing Services to that Care Recipient as long as that franchise or company-owned office is able to supply a

suitable Caregiver and there is no more than a three (3) month gap in Services by that franchised or company-owned office.

1.4.6 As provided for in Section 1.4.2, the parties agree that Franchisee shall be allowed to provide Services to Care Recipients residing within an Unassigned Territory at its own risk. If such Unassigned Territory is subsequently assigned by GHC to another GHC Business, Franchisee shall not provide Services to any new or additional Care Recipients whose principal residence is in the territory. Franchisee shall be allowed to continue to provide Service to Care Recipients currently being served in the Unassigned Territory until a three (3) month gap in service occurs, whereupon the Care Recipient(s) and a full legible set of records shall be turned over to the franchisee to which the Unassigned Territory has been subsequently assigned. This paragraph shall not be construed to limit in any fashion GHC's ability to assign territories.

1.4.7 Franchisee acknowledges that:

1.4.7.1 territories shall be assigned by GHC in its discretion (and without liability or any assurances as a result thereof);

1.4.7.2 cross state border coverage is customarily prohibited by applicable state law; and

1.4.7.3 territory coverage may also be affected by licensure or regulatory body rules.

1.5 *REGIONAL/NATIONAL CONTRACTS.* GHC, although under no obligation to do so, may negotiate and enter into national or regional contracts with third-party payer, large scale or multi-territory referral contracts (the "Regional/National Contracts") that afford all GHC offices, among other things, an expanded referral network and Client base. Franchisee must refer all prospective Regional/National Contract opportunities to GHC. Franchisee expressly authorizes GHC to enter into Regional/National Contracts and agrees to be bound by the terms of such contracts. Franchisee must service any Regional/National Contract Care Recipients whose principal residence is in the Territory in accordance with the procedures set forth in the GHC operations manual (the "Operations Manual") or in periodic memoranda provided by GHC. In the event that Franchisee is in default of his or her obligations under this Franchise Agreement, or is otherwise unable or unwilling to comply with any of the terms of a Regional/National Contract, GHC shall have the right, in its Reasonable Discretion, to contract with another GHC Business or company-owned office operating under the Marks and System to provide such Services to the Regional/National Contract Client whose principal residence is within the Territory on the terms and conditions contained in the Regional/National Contract. To the extent GHC has Regional/National Contracts, GHC will provide incentive programs from time to time to reward franchisees for referring prospective Regional/National Contracts. GHC will use its best efforts to assist franchisees that refer prospective Regional/National Contracts.

*1.6 NO OFFER OF SUPPLEMENTAL STAFFING OR MEDICAL SERVICES.* Franchisee acknowledges and expressly understands and agrees that Franchisee is not authorized to offer, sell or perform, under the Marks, supplemental staffing services, or refer others to perform any services of a medical nature, within the Territory, except as GHC reasonably permits in writing and is allowed by state law or regulations or as described in the State Compliance Manual.

*1.7 CHANGES TO THE SYSTEM.* Franchisor has the right to supplement, improve, or otherwise modify the Marks and/or System from time to time in its Reasonable Discretion with Consultation, and Franchisee must comply with all changes. GHC has no current intention to require every franchisee to operate the same Business Model, and GHC acknowledges that such a change would be material and would allow Franchisee to invoke the process set forth in Section 19.1 of this Agreement. Should a proposed change to the System involve a change to the Franchisee's Business Model based on state law, the parties hereto may agree on such Business Model change. If the parties hereto disagree as to the necessity of such a change in Business Model under state law, the parties will obtain, at their own expense, legal opinions that support their position and then promptly meet in person to resolve any differing opinions about the necessity of such a change in Business Model. If the parties still cannot agree on Business Model after such meeting, either of the parties may submit to the dispute resolution process described in Section 19 of this Agreement.

## **2. TERM & RENEWALS**

*2.1 INITIAL TERM.* The term of this Agreement is for a period of ten (10) years from the Effective Date.

*2.2 RENEWAL TERMS.* Franchisee may renew its Franchise for five (5) year renewal terms, if in compliance with the following conditions in this Section 2.2. There is no fee associated with renewing the Franchise Agreement. GHC agrees to give Franchisee six (6) months' notice of the Expiration of this Agreement. To be eligible to renew its Franchise, Franchisee must:

- 2.2.1* Provide GHC with written notice of its intent to renew the Franchise within seventy-five (75) days of receipt of notice of Expiration of the franchise term. GHC shall tender a renewal agreement to Franchisee prior to the Expiration date of this Agreement. Following tender of a renewal agreement, and applicable federal or state mandated disclosure documents, Franchisee shall have 30 days, or such reasonable extensions while negotiations are ongoing and in good faith, to review and negotiate acceptable renewal terms;
- 2.2.2* Not be in default under this Agreement or any other agreement with GHC or its affiliates or vendors;
- 2.2.3* Have established and maintained a reputation for quality of Services which meets the existing standards of GHC as outlined in the Manuals

(which are defined in Section 3.2 hereof) and in keeping with the Common Mission as described in the Recitals;

- 2.2.4 Have successfully and routinely passed periodic Quality Reviews by GHC for adherence to all material requirements of the Manuals, Franchise Agreement, and all applicable regulations;
- 2.2.5 Complete any new training requirements not yet completed;
- 2.2.6 At Franchisee's reasonable expense and if necessary in GHC's sole opinion, bring the Franchise up to GHC's then-current reasonable standards for a Franchise, including installation or upgrade of computer hardware and software; and
- 2.2.7 Execute a then-current form of Franchise Agreement and all other agreements and documents then customarily used by GHC in the granting or renewal of Franchises, provided the terms of which may not materially affect the rights and protections in this Agreement.

### 2.3 *NON-RENEWAL.*

- 2.3.1 Franchisee's failure or refusal to provide notice of intent to renew or to execute GHC's renewal agreements as provided in Section 2.2.1 above shall be deemed an election by Franchisee to not renew the Franchise;
- 2.3.2 If Franchisee does not satisfy all of the provisions of Section 2.2 above, GHC may elect not to renew. In such event, GHC shall provide written notice thereof to Franchisee; and
- 2.3.3 In the event of any non-renewal of this Agreement on the terms described in this Section 2 for any reason, Franchisee shall, by the Expiration date of this Agreement, as it may be extended by this Agreement, or the agreement of the Parties, cease operating the Franchise and comply with Section 16 hereof or have Transferred the Franchise as provided in Section 14 hereof.

## 3. **GHC'S DUTIES**

3.1 *TRAINING.* GHC will provide to Franchisee up to ten (10) days of initial HomeCare Academy® training at GHC's corporate headquarters or other location designated by GHC. GHC will also provide training for Franchisee's employed manager who is required to have training in accordance with Section 6.4. Should Franchisee elect to explore or transition to a new Business Model, GHC shall provide sufficient training to Franchisee or Franchisee's employed manager as reasonably necessary to support such exploration and transition.

3.2 *MANUAL.* GHC will loan franchisee a copy of GHC’s Operations Manual and the state compliance manual (“State Compliance Manual”) and any other manual (collectively, the “Manuals”), and will provide Franchisee with updates to the Manuals from time to time.

3.3 *ASSISTANCE.* GHC will provide franchisee with such assistance as GHC deems necessary for franchisee to comply with applicable state and/or local licensing requirements.

3.4 *LOCAL LIFT-OFF PROGRAM.* GHC will deliver the local lift-off program (“Local Lift-off Program”) upon receipt of payment and Franchisee’s satisfactory completion of the initial HomeCare Academy® training.

3.5 *FORMS AND MATERIALS.* GHC will have branded business forms, brochures, business cards, and descriptive and or promotional literature and operational forms available for Franchisee’s purchase at Franchisee’s sole expense. All such materials will be provided in English at GHC’s actual cost, and Franchisee shall be responsible for all shipping and handling costs. GHC will not deny Franchisee the right to have forms accurately translated for any area, region, or state, at Franchisee’s sole expense.

3.6 *GENERAL MARKETING FUND.* GHC will market the System through the General Marketing Fund as described in Section 12 hereof. GHC may conduct advertising/marketing in any format it deems appropriate, including for instance, but not limited to, national print, television, and/or electronic media. GHC may make advertising and promotional materials available to Franchisee that are developed internally, by an outside advertising professional, and/or franchisees.

3.7 *GHC ADVICE.* GHC will designate one or more persons who will be available at reasonable times to render advice to and consult with Franchisee, upon reasonable and timely request, as to Client relationships, sales and marketing, and the conduct of Franchisee’s business.

3.8 *FRANCHISE OPERATIONS REVIEW.* GHC will monitor and review franchise operations in order to determine compliance with the Manuals and this Agreement.

3.9 *PUBLIC RELATIONS.* GHC will monitor and assist in Franchisee’s maintenance of positive public relations with its clientele including, but not limited to, Clients, Care Recipients, referral sources, and the Caregivers that Franchisee may refer.

3.10 *MEETINGS.* GHC will provide annual meetings and/or conferences among franchisees and other teleconferences, additional training, and refresher training for franchisees.

3.11 *BRAND STANDARDS.* GHC will issue Brand Standards for any products or supplies that display the Marks as GHC determines in its Reasonable Discretion. Such Brand Standards will not dictate which vendor is to be used, so long as the standards are met.

3.12 *LEGAL DEVELOPMENTS.* GHC will use best efforts to remain current on legal and other developments in the industry in which the Services are offered, and promptly advise Franchisee of any changes that may affect the Franchise or such business.

3.13 *CLIENT SATISFACTION SURVEYS.* Where required by state law as described in the State Compliance Manual, GHC, itself or through its designated vendor, may periodically assist Franchisee to maintain high quality standards through Client and Care Recipient satisfaction surveys, reviews, interviews, and other similar initiatives.

#### 4. FEES

4.1 *INITIAL FRANCHISE FEE.* Franchisee agrees to pay GHC the initial franchise fee identified on Attachment 3 (the “Initial Franchise Fee”). The Initial Franchise Fee must be paid on Franchisee’s execution of this Agreement. The Initial Franchise Fee is non-refundable in consideration of GHC’s administrative and other expenses in granting the Franchise and for GHC’s deferred opportunity to offer the Franchise to others; provided, however, that GHC will refund all fees received and all of the Initial Franchise Fee less actual out of pocket expenses incurred, if GHC determines, at any time through Franchisee’s HomeCare Academy® training, that Franchisee is not suitable for the franchised business.

4.2 *LOCAL LIFT-OFF PROGRAM.* Franchisee agrees to pay GHC the local lift-off program fee in the amount of \$\_\_\_\_\_ (the “Local Lift-Off Program Fee”) on Franchisee’s execution of this Agreement. The Local Lift-Off Program Fee is fully earned upon payment and not refundable, except GHC will refund all fees and all of the Local Lift-Off Program Fee less actual out of pocket expenses incurred, if GHC determines, at any time through Franchisee’s HomeCare Academy® training, that Franchisee is not suitable for the franchised business.

4.3 *ROYALTY.* Franchisee agrees that:

4.3.1 In addition to the Initial Franchise Fee, in consideration of GHC’s granting Franchisee the Franchise and the ongoing services to be provided to Franchisee, Franchisee shall pay GHC a royalty (the “Royalty”) for goods and services provided hereunder. The Royalty shall be in an amount equal to four percent (4%) of the Franchisee’s Gross Receipts (defined below). Starting in the thirteenth (13<sup>th</sup>) month after the Opening Date, the minimum amount of Royalties payable monthly to GHC hereunder will be the greater of four percent (4%) of Franchisee’s Gross Receipts or \$500 per month (the “Minimum Royalty Requirement”). Starting the 25<sup>th</sup> month after the Opening Date (as defined in Section 5.2 below) and continuing for the remainder of the term of this Agreement, the Minimum Royalty Requirement hereunder will be the greater of four percent (4%) of Franchisee’s Gross Receipts or \$750 per month. In the event Franchisee or Franchisee’s Principals is an existing GHC franchisee renewing a prior Franchise Agreement, or the purchaser or transferee of an existing franchise, the Minimum Royalty Requirement hereunder shall become due and payable upon signing this Agreement and shall be the greater of four percent (4%) of Franchisee’s Gross Receipts or \$750 per month. For purposes of compliance with the Minimum Royalty Requirement in this Section 4.3, Franchisee may aggregate the Royalties for all GHC

Businesses operated by Franchisee or its Principals in the Territory and any other territory for the trailing twelve-month period to determine if the aggregated monthly Minimum Royalty Requirement for each such business has been met;

- 4.3.2 Notwithstanding Section 4.3.1 above, the Royalty payable to GHC on the portion of Gross Receipts derived from either a Day Rate Payment, or an 80 Hour Case, shall be reduced to three and three-quarters percent (3.75%);
- 4.3.3 In the event that the four percent (4%) (or 3.75%, as applicable) of Franchisee's Gross Receipts does not meet the Minimum Royalty Requirement in any period, Franchisee is responsible for paying the Minimum Royalty Requirement;
- 4.3.4 "Gross Receipts" is defined as the aggregate of all monies received by Franchisee as a result of the provision of all Services and goods provided by the Franchise during the preceding reporting period. Gross Receipts does not include the amount of any applicable sales tax imposed by and paid to any federal, state, municipal, or other governmental authority. Gross Receipts does not include Client reimbursements to Franchisee for actual expenses (e.g. mileage) paid by Franchisee on behalf of a Client. Also excluded from Gross Receipts are adjustments, including corrections of errors in billings and other reductions in billings given in order to develop and maintain Client relations and goodwill;
- 4.3.5 Franchisee will be required to establish a designated bank account which shall be used exclusively for the depositing of all Gross Receipts. Franchisee shall send GHC weekly sales reports of Franchisee's Gross Receipts for the prior week as required under Section 11 hereof on such day and in such form as GHC requires in writing. Franchisee is required to deposit all Gross Receipts for the prior week into the bank account, including cash, checks, and credit card receipts, on or before the due date for such weekly sales report;
- 4.3.6 Each week Franchisee shall transfer to GHC's designated bank account all amounts due to GHC, via electronic fund transfer initiated by Franchisee, from Franchisee's designated bank account every Friday (the "Affirmative Transfer Right"). If Franchisee fails to transfer to GHC's designated bank account the required funds by Friday, on more than three (3) occasions during the term of this Agreement, Franchisee's Affirmative Transfer Right will immediately terminate, and GHC will automatically deduct, on Friday for the remainder of the term, all payments owed to GHC under the Franchise Agreement or any other agreement between Franchisee and GHC, from Franchisee's designated bank account via an electronic funds

transfer initiated by Franchisor (“EFT Program”). Upon written notice to Franchisee, Franchisor may designate another method of payment or time frame for payment;

- 4.3.7 Upon execution of this Agreement, Franchisee shall provide GHC with Franchisee’s bank name, address, ABA routing numbers, account numbers, voided checks from all bank accounts, and sign and give to GHC and Franchisee’s bank, all documents, including Attachment 4 to this Agreement, necessary to effectuate the EFT Program and GHC’s ability to withdraw funds from the designated bank account via electronic funds transfer. All bank accounts related to the operation of the Franchise must be located within the United States and governed by its laws. Franchisee shall immediately notify GHC of any change in Franchisee’s banking relationship, including changes in account numbers. GHC reserves the right to require Franchisee to pay any fees due under this Agreement by such other means as GHC may specify from time to time. If the weekly reports (as described in Section 11) have not been received within the time period required by this Agreement, then GHC may process an EFT for the subject week based on the most recent weekly reports provided by Franchisee to Franchisor. If a weekly report for the subject week is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then GHC shall be entitled to withdraw additional funds through EFT from Franchisee’s designated bank accounts for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee’s future obligations;
- 4.3.8 As part of Franchisee’s participation in the EFT Program, if the funds in Franchisee’s bank accounts are insufficient to cover any amounts due under this Agreement on the date such funds are due, or should any EFT not be honored by Franchisee’s bank for any reason, Franchisee agrees that Franchisee shall be responsible for that payment and any service charges incurred by GHC. In addition, if any payments are not received when due, and Franchisee fails to pay such past due amount within two (2) days after GHC notifies Franchisee of the past due amount, Franchisee will be charged a fee of \$50, and interest may be charged on such unpaid amount from the date it was due until all past due amounts are paid, at a rate of the lesser of 12% per annum or the maximum rate permitted by law;
- 4.3.9 If Franchisee purchases a second territory at the same time as Franchisee’s first territory, Franchisee must commence payment of the Minimum Royalty Requirement under the second agreement by the 25th month after the Opening Date under the first agreement, and continuing for the duration of the term of such second agreement. If Franchisee purchases a

third territory at the same time as Franchisee's first territory, Franchisee must commence payment of the Minimum Royalty Requirement under the third agreement by the 37<sup>th</sup> month after the Opening Date under the first agreement, and continuing for the duration of the term of such third agreement; and

4.3.10 **Royalty Incentive Programs:** GHC will make available royalty incentive programs from time to time, and Franchisee will be entitled to participate in such programs. Such programs will be created in consultation with the franchisee representative group as defined in Section 18.2.

4.4 **SOFTWARE FEES.** The first year's Software Fee and the continuing software fee due thereafter (the "Software Fee") are identified on Attachment 3 to this Agreement. Commencing in the 13<sup>th</sup> month, Franchisee shall pay GHC or its designated vendor a monthly Software Fee. The Software Fee and the designated software vendor shall be determined in GHC's Reasonable Discretion, and are subject to review by GHC's software selection committee.

## 5. OPENING OF FRANCHISED BUSINESS

5.1 **OPENING OBLIGATIONS.** Prior to the commencement of Franchise operations, Franchisee must:

- 5.1.1 Complete any necessary state and/or local licensing requirements, at Franchisee's cost. Franchisee may not attend HomeCare Academy<sup>®</sup> training until Franchisee has secured all licenses and permits necessary to operate the Franchise in the Territory;
- 5.1.2 Establish, operate, and maintain a location within its Territory, in a condition approved in advance by GHC;
- 5.1.3 Complete all obligations as set forth in the Manuals;
- 5.1.4 Develop Franchisee's rates after conducting an independent market survey. Such schedule is without prejudice to Franchisee's right to negotiate pricing and to set prices for a particular Client or a particular class of Clients within the Franchisee's discretion;
- 5.1.5 Successfully complete the initial HomeCare Academy<sup>®</sup> training required by GHC for operation of the Franchise. Franchisee will be responsible for the lodging, travel, meals, and other expenses incurred in connection with the initial training;
- 5.1.6 In the event Franchisee must secure real estate, by purchase or lease, for the operation of the Franchise, Franchisee's lease shall include a provision that requires the lessor to concurrently provide GHC with a copy of any written notice of default under the lease be sent to Franchisee; and

5.1.7 Franchisee and Franchisee's landlord must execute GHC's Collateral Assignment of Lease which grants GHC the right, but not the obligation, upon (a) Franchisee's default on the lease, or (b) Termination, Transfer, or Expiration of this Agreement, (i) to assume the lease for the premises, and (ii) to lease or sublease such premises at fair market value if Franchisee or an affiliate of Franchisee owns the premises.

5.2 *OPENING DATE.* Franchisee acknowledges that time is of the essence in opening the Franchise. Franchisee shall use its best efforts to secure licensure and training, and to commence operation of its GHC Franchise by no later than within 90 days of completion of training. The "Opening Date" will be the date the Franchise commences business operations.

## **6. FRANCHISEE'S DUTIES**

6.1 *SERVICES TO CLIENTS.* Franchisee must identify, recruit, screen, and refer Caregivers that provide Caregiver Services to Care Recipients. Franchisee may use a third-party background screening vendor to evaluate prospective Caregivers, so long as the vendor's screening procedures comply with applicable state and local requirements for the Territory. Franchisee must also provide consultation to Clients and/or Care Recipients on an ongoing basis consistent with the Business Model approved in the Franchisee's Territory in accordance with applicable law.

6.2 *DUTIES.* Franchisee must:

- 6.2.1 Use its best efforts to develop Clients and referral sources, recruit and carefully screen Caregivers, and refer suitably qualified Caregivers for the provision of Caregiver Services to Clients;
- 6.2.2 Deposit all Gross Receipts into its designated bank account on or before the due date for the weekly sales report reflecting such Gross Receipts;
- 6.2.3 Use best efforts to collect all private pay Client payments owing within seven (7) to ten (10) calendar days of Services being rendered;
- 6.2.4 Submit to GHC such reports as required by GHC in a written format prescribed by GHC as further described in Section 11 below;
- 6.2.5 Adhere to and comply with National Accounts Contracts or other third-party payer contracts;
- 6.2.6 Adhere to and comply with (i) the GHC Business Model under which Franchisee is operating; (ii) the policies, procedures, rules, and/or guidelines relating to the System; and (iii) changes or revisions to the same, as set forth in the Manuals or otherwise in writing from time-to-time;

- 6.2.7 Use best efforts to remain current on legal and other developments in the industry in which the Services are offered, and promptly advise GHC of any changes that may affect the Franchise or such business;
- 6.2.8 Submit to, and make the Franchise records, premises, Caregivers, employees, Clients, and Care Recipients available for routine inspections, interviews, and reviews as described in Sections 7 and 11 below;
- 6.2.9 Comply with all federal, state, and local laws and regulations that apply to the Franchise, including, without limitation, all employment laws related to Caregivers; if Franchisee has a material disagreement with GHC as to the applicable laws and regulations, Franchisee may avail itself of the dispute resolution provisions in Section 19 below;
- 6.2.10 Without limiting the foregoing, as required by applicable local, state, and federal law(s) covering the operation of Franchise, obtain and maintain all appropriate licenses (including any renewal of such licenses when required by state law) together with registration and required surety bonds, if any, and provide to GHC copies of all initial state licenses (and renewals thereof) within thirty (30) days of receipt of such initial license and renewal licenses;
- 6.2.11 Maintain the use and integrity of the Territory Name without change unless permitted in writing by GHC;
- 6.2.12 Purchase sufficient amounts of business forms, brochures, business cards, and descriptive literature necessary for the operation of the Franchise;
- 6.2.13 Pay to GHC, or permit GHC to deduct, the amounts owed for Royalties (including any applicable Minimum Royalty Requirement) and General Marketing Fees from Franchisee's designated bank account in accordance with Section 4.3.6;
- 6.2.14 Not relocate the Franchise nor establish any "satellite locations" under this Agreement without the prior written approval of GHC. Such approval for relocation will not be unreasonably withheld;
- 6.2.15 Maintain satisfactory Franchise performance in terms of adherence to this Agreement and the Manuals;
- 6.2.16 Respond to Franchisor's reasonable requests for information and/or participation in a timely, thorough, and forthright manner;
- 6.2.17 Participate in regularly available Franchisor programs, presentations, and learning opportunities;

- 6.2.18 Execute by the Opening Date of this Agreement the Conditional Assignment of Franchisee's Telephone Numbers, which permits the immediate transfer of all of the telephone numbers and e-mail addresses utilized by Franchisee in the operation of its Franchise to GHC upon Expiration, Termination, or Transfer of the Franchise;
- 6.2.19 Register for, pay the requisite fee, and attend at least one GHC-sponsored regional or national conference each year;
- 6.2.20 Obtain, install, and maintain such up-to-date computer hardware, software, telephone, facsimile, bank check scanner, high speed internet access with e-mail capacity, and other equipment as GHC may periodically and reasonably require in GHC's Reasonable Discretion, subject to review by GHC's software selection committee;
- 6.2.21 Promptly submit all matters in dispute with any other System franchisees for resolution by GHC;
- 6.2.22 Promptly handle all customer complaints, refunds, and other adjustments in a manner that will not detract from GHC's name and goodwill; and
- 6.2.23 Participate in GHC or third-party customer satisfaction programs as required by state law as described in the State Compliance Manual.

6.3 *COMPLIANCE WITH MANUALS.* Franchisee shall operate the franchise in strict compliance with the standards and specifications set forth in this Agreement and the Manuals and any revisions or amendments to same, as may be changed by GHC from time to time in accordance with Section 9. Franchisee acknowledges that Franchisee may incur reasonable costs to comply with such changes at its expense.

6.4 *OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE.* For the first three (3) years after the Opening Date, Franchisee must directly, exclusively, and personally supervise the Franchise operations. Thereafter, including for any renewal terms of this Agreement granted pursuant to the renewal provisions of Section 2, GHC does not require Franchisee to participate personally in the direct day-to-day operation of the Franchise, provided that the Franchise must at all times be under the direct supervision of a manager who has satisfactorily completed the GHC initial training and devotes full time and effort to the management of the Franchise. Franchisee will be responsible for arranging and paying for the lodging, travel, meals, and other expenses incurred in connection with the initial and subsequent training. Such manager must also execute the Confidentiality, Non-Competition, and Non-Disclosure Agreement described below.

6.5 *ADDITIONAL SERVICES.* Franchisee will be given the right of first offer as described in Section 1.3.4 hereof for any additional and adjunct products and services, in Franchisor's Reasonable Discretion. Additional training and start up fees, but not an initial

franchisee fee for such new opportunity, may be required if Franchisor authorizes Franchisee to offer such additional services.

**6.6 PROTECTION OF CUSTOMER INFORMATION.** Franchisee must use its best efforts to protect its customers against a cyber-event, identity theft, or theft or exposure of personal information. Franchisee must comply with security policies and guidelines of GHC, which may be amended from time to time, as well regional, national, and local laws and regulations relating to the use, storage, transmission, and disposal of personal information. Franchisee shall notify GHC as soon as possible, and within no more than three (3) business days, after Franchisee becomes aware of or is notified about, any cyber-event, identity theft, or theft or exposure of personal information related to GHC Business, or affecting any customer or employee thereof. Franchisee agrees, upon GHC's request, to immediately provide notice to all individuals potentially affected by such event in the form GHC may direct, and to take such other remedial actions as GHC directs or as may be required by law.

**6.7 LIMITATIONS ON GRANT.** The grant in Section 1 of this Agreement does not include (i) any right to establish an independent website or to create, register, or use a domain name incorporating the Marks or any variation thereof; or (ii) any right to distribute, market, or implement GHC's products and services in any channel of distribution not specifically permitted by this Agreement.

## **7. QUALITY REVIEWS**

**7.1 QUALITY REVIEWS.** Franchisee acknowledges and agrees that GHC will conduct periodic quality reviews (the "Quality Reviews") of Franchisee's operations and will review Franchisee's office procedures, records, and file contents and interview Franchisee's staff, Clients, and Caregivers. The Quality Reviews may include the "monitored or recorded for quality assurances purposes" telephone calls to Clients or Caregivers. GHC shall also have the right to record and grade telephone calls, visits to Care Recipients, and referral sources. GHC's quality review may include a "mystery shopper" program from time to time. GHC will issue Franchisee a written report of its findings, which may be hand-delivered at the time of on-site Quality Review, or sent subsequently by mail or e-mail.

**7.2 RETRAINING.** Franchisee may be required by GHC to participate in retraining as a result of any quality review failure and pay our then current fees related to the training. GHC retraining fee is currently \$500 per day. Franchisee must promptly pay GHC the retraining fee upon receipt of GHC's invoice.

**7.3 NOTICE OF DEFICIENCY.** In the event that Franchisee fails to satisfactorily pass any Quality Review, GHC will issue Franchisee a notice of deficiency (a "Notice of Deficiency") detailing the deficiencies observed by GHC. Upon receiving notice of a Notice of Deficiency and without limiting in any way GHC's rights and remedies under this Agreement (including GHC's rights under Section 15), Franchisee will have 30 days to provide GHC with a written plan for correcting each deficiency listed in the Notice of Deficiency (the "Corrective Action Plan").

Franchisee's failure to submit to GHC the Corrective Action Plan within thirty (30) calendar days of date of Notice of Deficiency shall constitute a default of this Agreement.

## **8. MARKS**

**8.1 OWNERSHIP OF MARKS.** Franchisee acknowledges that GHC owns all right, title and interest in the Marks and System. Franchisee further acknowledges that its right to use the Marks and System is based solely on this Agreement and is limited to its conduct of business in compliance with this Agreement and all applicable standards, specifications, and operating procedures that GHC prescribes during the term of this Agreement.

**8.2 UNAUTHORIZED USE.** Any material, unauthorized use of the Marks or System by Franchisee will constitute a breach of this Agreement. Franchisee may not use any of the Marks (or any names or words confusingly similar to any of the Marks) as part of any corporate name, domain name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed by GHC to the Franchisee). Franchisee may not use any Marks (or any names or words confusingly similar to any of the Marks) in connection with the sale of any unauthorized product or service nor in any other manner not explicitly authorized by GHC, nor which could detract or in any way demean the Marks. Franchisee may not use the Marks or System for any unauthorized purpose, including, without limitation, on endorsements, banking instruments or documents, or business forms, or other documents without the prior written consent of GHC.

**8.3 OTHER USES.** Franchisee may not use any other logo, mark or name in connection with the operation of the Franchisee.

**8.4 INFRINGEMENT.** In the event of any infringement of, or challenge to Franchisee's use of any of the Marks or System, Franchisee shall immediately notify GHC. GHC may direct and control any administrative proceeding or litigation involving the Marks or the System, including any settlement thereof. GHC is not required to defend Franchisee against any infringement, unfair competition or other claim respecting Franchisee's use of any Mark or the System; however, GHC shall indemnify Franchisee against, and reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding arising out of the use of any of the Marks, including attorney's fees and related costs, provided the liability is not caused by Franchisee's unauthorized use of the Marks in violation of this Agreement or GHC's Brand Standards. If in GHC's Reasonable Discretion, it determines that Franchisee has not used the Marks in accordance with this Agreement or the Brand Standards, Franchisee will bear the cost of such defense, including the cost of any judgment or settlement.

**8.5 SUBSTITUTION.** GHC reserves the right, in its Reasonable Discretion, to add to or modify the Marks, and to substitute different proprietary marks for use in identifying the System and the businesses operating under the System. GHC shall provide Franchisee 180 days' notice of any such addition, modification, or substitution. GHC agrees to evenly share the expense of modifying the Mark(s) for signage and car wraps, and Franchisee will bear the expense of replenishing forms and printed materials bearing the new marks (if Franchisee's inventories are not exhausted within the 180-day notice period). Franchisee shall discontinue using all Marks that

GHC has modified or discontinued within 180 days of receiving written notice from GHC, and shall then promptly begin using such additional, modified, or substituted Marks as GHC may designate.

8.6 *NO CONTEST.* Franchisee shall not contest, directly or indirectly, GHC's ownership, title, right, or interest in any of the Marks or the System, nor contest GHC's sole right to register, use, or license others to use the Marks and System.

## **9. OPERATIONS MANUAL; STATE COMPLIANCE MANUAL**

9.1 *LOAN.* GHC will loan Franchisee one copy of its Operations Manual and State Compliance Manual during the term of this Agreement. GHC may deliver Franchisee's copy of the Manuals in hard copy and/or electronically.

9.2 *MANUALS.* The Operations Manual contains key information about the GHC System, including various required and recommended policies, procedures, rules, and guidelines promulgated from time to time by GHC, the federal government, and other obligations of the Franchisee under the Franchise Agreement, GHC's System, and the operation of the Franchise. The State Compliance Manual contains information relative to the state in which Franchisee operates, and GHC's requirements for operation of a GHC Business operating under the Marks and the System in the state(s) in which Franchisee's business is located.

9.3 *CONFIDENTIALITY.* All copies of the Manuals will remain confidential and the exclusive property of GHC. GHC has the exclusive right to add to and otherwise modify the Manuals in its Reasonable Discretion with Consultation, and as it deems necessary to meet competition, protect the Marks, meet or comply with changing regulatory environment, or improve the quality of the services offered by the System. In the event GHC has material modifications to the Manuals, GHC will provide a copy to recognized franchisee representatives sixty (60) days prior to finalizing such changes and receive comments on such changes within such sixty-day period prior to implementation. GHC will provide Franchisee a reasonable amount of time to comply with any changes or modifications to the Manuals.

9.4 *OFFICIAL COPY.* GHC maintains an official copy of the Manuals at its corporate headquarters. In case of any dispute relating to the contents of the Manuals, the official copy of the Manuals posted on the GHC intranet system shall control.

## **10. CONFIDENTIALITY**

10.1 *CONFIDENTIALITY COVENANTS.* Franchisee acknowledges that its knowledge of the System and Services, which is derived from information disclosed to Franchisee by GHC pursuant to this Agreement and any addenda thereto, including without limitation, business systems, referrals, and contacts included in Regional/National Contracts, manuals, tactics, strategies, and materials; information about proprietary products; any proprietary software Franchisor may now or in the future create; and the Operations Manual (collectively, the "Confidential Information"), are proprietary and confidential to GHC. Other information that has been developed by Franchisee, including Client information, Caregiver rosters, and referral

sources shall be deemed to be Joint Confidential Information. With respect to all Confidential Information and Joint Confidential Information, GHC and Franchisee therefore agree that:

- 10.1.1* GHC and Franchisee will fully and strictly adhere to all security procedures prescribed by GHC in its Reasonable Discretion for protecting such Confidential Information and Joint Confidential Information;
- 10.1.2* During the term of this Agreement and thereafter, neither GHC nor Franchisee will disclose such Confidential Information to any person or entity other than its employees and then only to the extent reasonably necessary to market the Services and for the operation of the Franchise in accordance with this Agreement and with adherence to the procedures, policies, rules, and/or guidelines set forth in the Operations Manual;
- 10.1.3* Franchisee will obtain a non-disclosure agreement from all internal office employees prior to hiring, and from all vendors that will have access to Confidential Information and Joint Confidential Information;
- 10.1.4* Franchisee will not use any Confidential Information or Joint Confidential Information in any other business or in any manner without the prior written consent of GHC, provided, however, that subject to Section 17.2.2 and applicable privacy laws, including HIPAA, Franchisee and Franchisee's principals may use Joint Confidential Information developed solely by Franchisee in a non-competing business; and
- 10.1.5* GHC and Franchisee will exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such Confidential Information during and after the term of this Agreement.

*10.2 EMPLOYEE CONFIDENTIALITY AGREEMENTS.* Franchisee must obtain from each and every full- and/or part-time office employee a signed confidentiality agreement, which provides that such employee(s) shall maintain the confidentiality of the Confidential Information during and after the term of such employee's employment with Franchisee. Such agreement, which will be in a form that Franchisor prescribes, will identify Franchisor as a third-party beneficiary to the agreement and give Franchisor independent enforcement rights.

## **11. TAXES, SALES REPORTS & FINANCIAL STATEMENTS**

### *11.1 TAXES.*

- 11.1.1* Franchisee is responsible to promptly pay to the proper taxing authorities when due, any and all applicable federal, state, and local taxes, including, but not limited to payroll and social security taxes, FICA, sales, income, or FUTA taxes withheld or due; state and federal unemployment taxes; any taxes for employees required by applicable law; and state workers' compensation taxes, and to mail to GHC, if requested by GHC, within

forty (40) days after the close of each calendar quarter, evidence of the payment of all such taxes in a form satisfactory to GHC including but not limited to all filings, forms, and returns, and such other information as GHC may request in writing or in the Manuals from time-to-time.

*11.1.2* GHC shall have the right in its Reasonable Discretion to access tax and income information and returns including but not limited to personal returns for any information concerning siphoning, record falsification, concealment, diminution, or other unreasonable decrease in the usual and customary cases, Clients and/or Gross Receipts of the Franchise.

*11.2 SALES REPORTS.* Franchisee shall submit sales reports and financial statements in formats prescribed by GHC by noon (Eastern Time) Friday of each week for the prior Monday through Sunday's Gross Receipts collected and deposited. The report will include Franchisee's calculation of all the Royalties and General Marketing Fees, and any other information GHC may require.

*11.3 MARKETING REPORTS.* Franchisee shall submit reports of its marketing activities, including but not limited to local marketing expenditures, as requested by GHC.

*11.4 LATE FEES.* Franchisee is required to deposit all Gross Receipts into its designated bank account on or before the due date for the weekly sales report reflecting such Gross Receipts. In the event Franchisee fails to submit all weekly sales reports and financial statements to GHC by the deadline for such weekly sales report, GHC will deduct a twenty-five dollar (\$25) late fee as a donation to the Griswold Cares Foundation from Franchisee's designated bank account for each additional week that passes without GHC's receipt of weekly sales reports and financial statements. Franchisee agrees that this contribution is intended to incentivize timely submission of weekly sales reports. Reports may be submitted electronically, by facsimile, or as a hardcopy.

*11.5 AUDIT OF REPORTS.* Franchisee must maintain accurate business records, reports, accounts, books, and data relating to the operation of the Franchise. GHC will have the reasonable right to inspect and/or audit or cause to be audited all of Franchisee's business records, including sales reports, advertising reports, banking and financial statements, and tax returns to determine whether Franchisee is current with suppliers and is otherwise operating in compliance with the terms of this Agreement and the Manuals. Such inspections and/or audits will be conducted at the expense of GHC except as specified below in Section 11.6. GHC shall have the right to enter upon Franchisee's premises during normal business hours, and without liability, for the purpose of examining such premises; conferring with Franchisee's employees and agents; inspecting, auditing and copying books and records; and determining whether Franchisee's operation is in full compliance with this Agreement, the System and the Manuals. If Franchisee fails any inspection or evaluation, for any subsequent inspection or evaluation to determine compliance with such failure, Franchisor shall pay the costs and expenses for such inspection or evaluation if Franchisee has cured such failure, and Franchisee shall pay the costs and expenses for such inspection or evaluation if Franchisee has not cured such failure.

**11.6 UNDERSTATEMENT OF GROSS RECEIPTS.** In the event any audit or review discloses any understatement of Franchisee's Gross Receipts, Franchisee is obligated to pay to GHC, within fifteen (15) days after receipt of GHC's review report to the Franchisee, the Royalty or General Marketing Fees due on such understated funds. If Franchisee fails to pay GHC any Royalty or General Marketing Fees due on any understated Gross Receipts within fifteen (15) days of receipt of such review report, then Franchisee shall pay GHC the Royalty or General Marketing Fees due on such understated funds, plus interest on such unpaid amount from the date it was due until all past due amounts are paid, at a rate of the lesser of 12% per annum or the maximum rate permitted by law. Further, if any review process discloses an intentional understatement of three percent (3%) or more of the Franchise Gross Receipts for any period or periods, the Franchisee is required to reimburse GHC for the cost of such review process including, without limitation, the charges of any independent accountant and attorney's fees, the travel expenses, room and board, and pro-rata compensation of GHC's auditing employee(s) or agents. GHC may deduct the penalty and GHC's costs and expenses directly from Franchisee's designated bank account. Further, if any subsequent review process (which must be undertaken more than thirty (30) after the prior audit or review) discloses any understatement for any subsequent period, or if any review discloses evidence of intentional understatement, GHC will have the right to immediately terminate the Franchise Agreement upon discovery, for cause and without notice, and Franchisee will forfeit all rights to the Franchise.

**11.7 OWNERSHIP OF ALL RECORDS.** Once in use by the Franchise, all current and prior case/Client lists and files, phone and contact lists, Caregiver/resource files, Rolodex/file cards, computerized databases, records, software, etc. containing Client, Caregiver, or employee marketing and financial data of any type, however developed or stored, shall become and remain the property of GHC at all times during and after the term of the Franchise and following Expiration or Termination of any type for any reason or no reason by either party, non-renewal or sale; provided, however, that after Expiration, Termination, non-renewal, or sale, Franchisee will jointly own such records and Joint Confidential Information to the extent necessary for compliance with law and for use in any non-competing business by Franchisee or its Principals subject to applicable privacy laws including HIPAA. GHC will have independent access to the such information described above that will be generated and stored in Franchisee's computer system at all times. There are no limitations on GHC's rights to access this information. Except as otherwise prohibited by law, GHC may use this information in any reasonable manner in furtherance of our Common Mission and Guiding Principles, including its right to publish key performance data (without attribution to Franchisee) and client satisfaction related data (without attribution to Franchisee) internally or disclose such information to third parties. The development and preservation of data for the benefit of the GHC brand and the franchise network is a key attribute of the Franchise System. GHC and Franchisee agree to maintain and share data for our mutual benefit during the term hereof, and both GHC and Franchisee agree to protect the confidentiality of data for our respective benefits. GHC may share data in a manner that is lawful and that protects the confidentiality of individual franchisees, customers, and Caregivers, but that promotes the growth and success of the Griswold brand as a whole. GHC will not sell data developed by Franchisee without express written approval of the Franchisee. While the data and records described in this paragraph remain the property of GHC both during and after the term of the Agreement, GHC acknowledges and agrees that any goodwill developed by Franchisee may be

included in a sale of such business as described in Section 14.10 of this Agreement. After the term of the Agreement, Franchisee will retain copies of records as required by applicable law.

## **12. ADVERTISING/MARKETING**

*12.1 ADVERTISING ASSISTANCE.* GHC may consult and confer periodically with Franchisee and other franchisees about advertising and provide Franchisee (upon request) with marketing advice from time-to-time at GHC's Reasonable Discretion, and at Franchisee's sole expense.

*12.2 GENERAL MARKETING FUND.* GHC shall maintain a general marketing fund.

*12.2.1* Commencing 30 days from the Opening Date to the first anniversary of the Opening Date, Franchisee shall pay GHC a monthly "General Marketing Fee" of one half of one percent (0.5%) of Gross Receipts to a general marketing fund (the "General Marketing Fund"). Thereafter, Franchisee shall pay GHC for the General Marketing Fee the greater of two hundred dollars (\$200) or one half of one percent (0.5%) of Gross Receipts; provided, however, that if Franchisee's Principals operate another GHC Business under the Marks and System in the Territory, then Franchisee shall pay GHC for the General Marketing Fee the greater of one hundred dollars (\$100) or one half of one percent (0.5%) of Gross Receipts. GHC will deduct monthly General Marketing Fees from Franchisee's designated bank account. In the event that Franchisee operates GHC Businesses in more than one territory under the Marks and System, Franchisee may aggregate the General Marketing Fees for all such GHC Businesses for the monthly period for purposes of determining the greater of two hundred dollars (\$200) or one half of one percent (0.5%) of Gross Receipts under each Franchise Agreement. If this Agreement is for a second territory purchased at the same time as Franchisee's first territory, under the franchise agreement for such second territory Franchisee must pay to GHC a monthly General Marketing Fee (a) of one half of one percent (0.5%) of Gross Receipts to a general marketing fund commencing on the second anniversary of the Opening Date under the first agreement and (b) of the greater of two hundred dollars (\$200) or one half of one percent (0.5%) of Gross Receipts commencing on the third anniversary of the Opening Date under the first agreement; provided, however, that if Franchisee's Principals operate another GHC Businesses under the Marks and System in the Territory, then Franchisee shall pay GHC for the General Marketing Fee the greater of one hundred dollars (\$100) or one half of one percent (0.5%) of Gross Receipts. If this Agreement is for a third territory purchased at the same time as Franchisee's first and second territories, Franchisee must pay to GHC a monthly General Marketing Fee for the third territory: (a) of one half of one percent (0.5%) of Gross Receipts to a general marketing fund

commencing on the third anniversary of the Opening Date under the first agreement and (b) of the greater of two hundred dollars (\$200) or one half of one percent (0.5%) of Gross Receipts commencing on the fourth anniversary of the Opening Date under the first agreement; provided, however, that if Franchisee's Principals operate another GHC Businesses under the Marks and System in the Territory, then Franchisee shall pay GHC for the General Marketing Fee the greater of one hundred dollars (\$100) or one half of one percent (0.5%) of Gross Receipts. In the event Franchisee is an existing GHC franchisee renewing a prior Franchise Agreement, or the purchaser or transferee of an existing franchise, the General Marketing Fees shall become payable upon signing this Agreement.

- 12.2.2 Franchisee's payment of General Marketing Fees due under this Agreement shall be capped on an annual basis at \$20,000; provided, however, that if Franchisee's Principals operate another GHC Business under the Marks and System in the Territory, the \$20,000 cap shall be applied to the aggregate of all such businesses in the Territory; and provided further, however, that in the event that Franchisee operates GHC Businesses in more than one territory, Franchisee may aggregate the General Marketing Fees from all such GHC Businesses for the trailing twelve-month period to determine if the \$20,000 cap applicable to each territory has been reached.
- 12.2.3 GHC will administer and maintain the General Marketing Fund to develop branded marketing programs and tools to support the services provided by GHC in venues such as online, print, and public relations forums promoting the Services provided by GHC franchises.
- 12.2.4 GHC will use the General Marketing Fund contributions, in GHC's Reasonable Discretion with Consultation, to develop, produce, and distribute national, regional, and/or local advertising and to create advertising materials and public relations programs that promote, in GHC's Reasonable Discretion, the products and Services offered by GHC System Franchisees. GHC has the right to determine expenditures from the General Marketing Fund, or any other advertising program, and the authority to determine the selection of the advertising materials and programs; provided, however, that GHC will make a good faith effort to expend General Marketing Fund contributions in the general best interests of the System on a national and/or regional basis. GHC may use the General Marketing Fund to satisfy any and all costs of maintaining, auditing, administering, directing, preparing, and producing advertising, including the cost of preparing and producing Internet, television, radio, magazine, and newspaper advertising campaigns, direct mail, outdoor billboard advertising, and any other forms of advertising; the cost of public

relations activities and advertising agencies; the cost of developing and maintaining an Internet website; and other departmental costs for advertising that GHC internally administers or prepares; provided, however, that GHC will not use monies from the General Marketing Fund to conduct customer satisfaction surveys. Nevertheless, Franchisee acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. GHC will not use the General Marketing Fund contributions for advertising that is intended principally to solicit new franchisees. However, GHC reserves the right to use the General Marketing Fund for public relations or recognition of the Griswold Home Care brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available.” GHC has the right to reimburse itself from General Marketing Fund contributions for such reasonable costs and overhead, if any, as GHC may incur in activities reasonably related to the direction and implementation of the General Marketing Fund.

*12.2.5* GHC will prepare on an annual basis, and will have available for Franchisee within sixty (60) days of the end of the fiscal year, an unaudited statement of contributions and expenditures for the General Marketing Fund. GHC will make such statement available on its then-current electronic internet system for franchisee communications for the prior calendar year. The General Marketing Fund is not required to be independently audited.

*12.3 LOCAL MARKETING REQUIREMENT.* In addition to payment of the General Marketing Fee described above, Franchisee is required to participate in the Local Lift-Off Program and required to pay the Local Lift-Off Program Fee described in Section 4. The funds will be used as solely determined by GHC to encourage growth of the Franchise. Following completion of the Local Lift-Off Program, Franchisee is required to spend a minimum of twelve thousand dollars (\$12,000) per year on local marketing, promotional, and advertising activities (the “Local Marketing Requirement”). However, the Local Marketing Requirement will be reduced to six thousand dollars (\$6,000) per year, if (i) Franchisee hires a dedicated sales and marketing professional or (ii) if the Franchise is or will be jointly operated by two related adult Family Members. Except as provided in the preceding sentence, Franchisee cannot designate himself or herself (or, in the case of a corporate entity Franchisee, the principal owner of the Franchisee) as the sales and marketing professional for the purpose of reducing Franchisee’s annual Local Marketing Requirement.

Franchisee acknowledges and agrees that it must use only advertising and promotional materials developed or approved by GHC, in the manner authorized by GHC, and must cease using any materials upon instruction from GHC. Franchisee must participate in advertising, promotional, and/or branding initiatives upon instruction from GHC. GHC has the right to photograph, interview, or record Franchisee and Franchisee’s employees or agents and place(s) of

business and to utilize such material as testimonials, videos, or photographs in the advertising, promotion and sale of the franchises and/or GHC's products and services. Franchisee agrees that GHC shall have the right to use and incorporate into the System any advertising and promotions created by Franchisee, and shall obtain all right, title and interest to such advertising and promotions without compensation to Franchisee. Franchisee agrees not to use public figures in Franchise promotional efforts or advertising without the prior express written approval of GHC. Franchisee agrees that Franchisee is responsible for knowing and complying with federal and local laws and regulations regarding its advertising and promotions.

*12.4 E-MAIL ACCOUNTS.* GHC may provide Franchisee with one or more e-mail accounts under GHC's registered e-mail and website domain as part of the franchise purchase. Franchisee must use any such assigned e-mail accounts in all official aspects of the operation of the Franchise. Each e-mail account remains GHC's sole property and reverts to GHC in the event of any Termination, Expiration, or approved Transfer. Franchisee may not establish or use other e-mail or social media accounts for the Franchise, nor may Franchisee use or establish or identify any website or social media site other than the designated GHC website for Franchise business operations, except as otherwise stated in this Agreement and except for e-mail accounts used in connection with the Franchise prior to the date hereof, or as otherwise permitted by GHC, or as provided in a social media policy (if any), which may hereafter be adopted by GHC and incorporated in the Manual. Franchisee may not use the Marks or any trade names or trademarks confusingly similar to the Marks as part of any e-mail address, website identification, or on any third-party website without GHC's prior written consent. Except for personal exchanges of correspondence in the ordinary course of business between Franchisee, clients, prospective clients, Franchisee's established contacts, including Caregivers, any e-mail or online content Franchisee creates related to marketing or advertising the Franchise, the Services, Caregivers, or Clients will be considered advertising and be subject to GHC approval and instruction as described in Section 12.3 above.

*12.5 ADVERTISING COOPERATIVES.* GHC will have the right, in GHC's Reasonable Discretion with Consultation, to determine whether a regional advertising and promotional cooperative ("Cooperative") is applicable to the Franchise.

### **13. INSURANCE REQUIREMENTS & INDEMNIFICATION**

*13.1 INSURANCE.* Within one (1) month of the execution of this Agreement, and prior to providing Services to any Client or Care Recipient, and thereafter annually, Franchisee shall purchase and maintain, at its sole expense, insurance coverage in the following amounts, which shall name GHC as "additional insured" for liability arising out of the operations of the Franchise:

*13.1.1* General and Professional Liability Insurance for the management and operation of the Franchise in an amount not less than one million dollars (\$1,000,000) per occurrence, three million dollars (\$3,000,000) in the aggregate;

- 13.1.2* Non-owned Auto Insurance in an amount not less than one million dollars (\$1,000,000) for each accident sub-limit;
- 13.1.3* Sexual Abuse Coverage in an amount not less than two hundred fifty thousand dollars (\$250,000);
- 13.1.4* Business Income Coverage in an amount not less than one hundred thousand dollars (\$100,000);
- 13.1.5* Crime Coverage in an amount not less than twenty-five thousand dollars (\$25,000);
- 13.1.6* Property/Contents Insurance in an amount not less than ten thousand dollars (\$10,000);
- 13.1.7* Workers' Compensation Insurance for office staff, and for such Caregivers as determined by GHC Business systems chosen and as prescribed by the state of operation; and
- 13.1.8* In addition, GHC recommends that Franchisee purchase Employment Practices Liability Insurance, Renter's Insurance, and an umbrella policy for defense outside the limits set forth above.

All of the insurance policies described above shall be maintained by Franchisee at all times during the operation of the Franchise, at its sole expense without gap in coverage or diminution in amount(s) prescribed. Franchisee shall annually provide to GHC copies of certificates of insurance, the insurance policy, declarations sheets, and policy renewal records for the Franchise within thirty (30) days of renewal of each policy, and upon GHC's request. At any time during the term of this Franchise Agreement, GHC may reasonably require Franchisee to increase the limits of the insurance described above or obtain additional types of insurance coverage as may be subsequently required by changing state or federal regulation and/or GHC's policy and/or System structure. Franchisee is obligated to fully comply with all insurance requirements over time, i.e., certain state licensures require the posting of a bond. All insurance certificates must expressly provide that not less than thirty (30) days' prior written notice will be given to GHC in the event of material alteration to, or cancellation of, the coverage's evidenced by such certificates. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised in the Operations Manual or otherwise in writing, GHC has the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges will be payable by Franchisee immediately upon notice. The foregoing remedies will be in addition to any other remedies GHC may have.

## 13.2 INDEMNIFICATION.

*13.2.1 FRANCHISEE INDEMNIFICATION.* Franchisee and Franchisee's Principals ("Franchisee Indemnitors") agree to indemnify, defend, and hold GHC, GHC's affiliates and their respective shareholders, directors, officers, employees, agents, successors, and assignees ("Franchisor Indemnitees") harmless from any and all claims, obligations, liabilities, and damages ("Franchisor Liabilities"), including any and all negligence claims or liability claims, directly or indirectly arising out of, in whole or in part: (a) the operation of the Franchise, including the actions and omissions of Caregivers, in a manner inconsistent with the terms hereof, as well as the sale of any products or services, and Franchisee's unapproved advertising; (b) the use of the Marks and Confidential Information or Joint Confidential Information in violation hereof, other than as authorized and/or approved by GHC; (c) the transfer of any interest in this Agreement or the Franchise in any manner not in accordance with this Agreement; (d) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of its Principals of any patent, mark, or copyright or other proprietary right owned or controlled by third parties other than as prescribed, instructed, or authorized by GHC in the Brand Standards or the Manuals; (e) libel, slander, or any other form of defamation of GHC, the System, or System franchisees, by Franchisee or by any of its Principals; and (f) against any claims by any third party, governmental authority, Franchisee, or its Principals for any violation or alleged violation of any federal or state laws, regulations, or requirements related to home care workers or Caregivers other than as prescribed, instructed, or authorized by the Manual. For purposes of this indemnification, "Franchisor Liabilities" shall include all obligations, actual, consequential, punitive, and other damages, and costs reasonably incurred in the defense of any action (including without limitation attorneys' fees and related costs). GHC shall have the right to defend any such Franchisor Liability against it in such manner as GHC deems appropriate or desirable in GHC's Reasonable Discretion. This indemnity shall continue in full force and effect subsequent to and notwithstanding the Expiration or Termination of this Agreement. In connection with satisfaction of Franchisee's foregoing obligations, Franchisee agrees that the following shall apply to any settlement: (1) Franchisor Indemnitees shall receive a complete release from all claimants; (2) the settlement shall not impose any liability on the Franchisor Indemnitees not covered by these indemnifications; and (3) the settlement shall not impose any liability or place any restrictions on the Franchisor Indemnitees. Notwithstanding the foregoing sentence, Franchisor may provide a written waiver of these conditions to facilitate settlement, which waiver will not

be unreasonably withheld if Franchisor Indemnitees' interests are otherwise protected.

**13.2.2** *GHC INDEMNIFICATION.* GHC ("Franchisor Indemnitor") agrees to indemnify, defend, and hold Franchisee, Franchisee's affiliates, and its respective shareholders, directors, officers, employees, agents, successors, and assignees ("Franchisee Indemnitees") harmless from any and all claims, obligations, liabilities, and damages ("Franchisee Liabilities"), when incurred following GHC's System as required herein, by any third party or governmental authority for any violation or alleged violation of any federal or state laws, regulations, or requirements related to the Services or Caregivers as has been prescribed, instructed, or authorized by GHC. For purposes of this indemnification, "Franchisee Liabilities" shall include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action. GHC shall have the right to defend any such Franchisee Liability in such manner as GHC deems appropriate or desirable in GHC's Reasonable Discretion. This indemnity shall continue in full force and effect subsequent to and notwithstanding the Expiration or Termination of this Agreement.

## **14. TRANSFER AND ASSIGNMENT**

**14.1** *TRANSFER BY GHC.* GHC has the right to sell, transfer, assign, delegate, and/or encumber all or any part of GHC's assets and GHC's interest in, and rights and obligations under, this Agreement in its Sole Discretion. Any transaction of the kind described in the preceding sentence will be to an entity that has the capability and financial stability to meet the obligations under this Agreement.

**14.2** *TRANSFER OF A MAJORITY INTEREST BY FRANCHISEE.* Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that GHC has granted this Franchise in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or limited liability company, its Principals') business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, limited liability company, corporation, or other legal entity that directly or indirectly owns any interest in Franchisee or in the Franchise Business shall sell, assign, transfer, convey, pledge, merge, or give away more than 50% of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchise (collectively, "Transfer") without the prior written consent of GHC, which GHC will not unreasonably withhold. GHC acknowledges that Franchisee has the right to offer the Franchise for sale during the term of the Agreement to a third-party purchaser meeting GHC's standards and conditions, subject to GHC's right of first offer. Any purported Transfer not having the written consent of GHC required by this Section 14 shall be null and void and shall constitute a material breach of this Agreement, for which GHC may immediately terminate without opportunity to cure pursuant to Section 15 of this Agreement.

*14.3 CONDITIONS TO TRANSFER OF A MAJORITY INTEREST.* Franchisee shall notify GHC in writing of any proposed Transfer at least thirty (30) days before such Transfer is proposed to take place. GHC shall not unreasonably withhold its consent to any proposed Transfer, but GHC may, in its discretion, require any or all of the following as conditions of its approval:

- 14.3.1* Franchisee is not in default under any provision of this Agreement or any other agreement with GHC or any affiliate or supplier; provided, however, that this condition shall not apply and Franchisee has the right to make a Transfer or assignment if Franchisee or any of Franchisee's Principals are in default of Section 15.1.3 hereof, and relinquishes or otherwise disposes of its ownership interest in the Franchise on the terms in this Section 14 within thirty (30) days following any event described in Section 15.1.3 or agrees with GHC on a Corrective Action Plan and completes such plan in the time period agreed upon with GHC;
- 14.3.2* The transferee must meet then applicable standards of GHC for operating a GHC franchise under the Marks and the System, must have, in the Reasonable Discretion of GHC, sufficient business experience, aptitude, the personal character, and financial resources to properly operate the Franchise, and must not be involved in any business that is competitive with or similar to a GHC Business operating under the Marks and the System, or that would violate the non-competition or non-solicitation covenants in Section 17 hereof;
- 14.3.3* The transferee purchases GHC's then current required software system (as described in Section 4.4 above);
- 14.3.4* Subject to applicable law, Franchisee and all of its Principals execute a general release and indemnification agreement in favor of GHC, and Franchisee and its Principals agree(s) to be bound by all the applicable post-termination provisions of this Agreement; provided, however, that there shall not be released any pending claims for which Franchisee has either (a) filed a notice of mediation or notice of arbitration under Section 19 hereof; or (b) if such claim is not subject to mediation and arbitration pursuant to Article 19, actually filed and served GHC with notice of such claim;
- 14.3.5* All outstanding debts of Franchisee in connection with the Franchise have been paid in advance of the Transfer;
- 14.3.6* Transferee or transferee's Principals have attended GHC's HomeCare Academy®;
- 14.3.7* At transferee's option, the transferee may assume this Agreement (through its unexpired term), or the transferee shall execute GHC's then-current

form of franchise agreement (for a full initial term) and other ancillary agreements as GHC may require for the Franchise, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including higher fees and greater advertising obligations, except that the transferee shall not be required to pay any initial franchise fee, Local Lift-Off Fee or First Year's Software Fee, and the Franchisee's Territory shall remain the same, and will not be required to adopt a different Business Model;

14.3.8 Franchisee pays GHC a transfer fee (the "Transfer Fee") in an amount equal to (a) half of the then-current Initial Franchise Fee for any Transfer in which there is no broker fee; (b) Ten Thousand Dollars (\$10,000) plus any brokerage fee payable by Franchisee; or (c) Five Thousand Dollars (\$5,000) for any Transfer to an existing GHC franchisee;

14.3.9 Notwithstanding Section 14.3.8, no Transfer Fee will be required (a) in the case of a Transfer to a corporation, partnership, or limited liability company (in which the current or existing individual Franchisee owns more than a 50% interest in such entity) that is formed by Franchisee for the convenience of ownership; (b) in a Transfer to Franchisee's spouse or adult child; or (c) at GHC's Reasonable Discretion in a Transfer to Franchisee's employee; and

14.3.10 If Franchisee or Franchisee's Principals are operating in the Territory under a Dual Business Model, the Transfer must include both the Registry Model franchise and the Full Employment Model franchise for the Territory.

*14.4 ASSIGNMENT OF A MINORITY INTEREST BY FRANCHISEE.* Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that GHC has granted this Franchise in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or limited liability company, its Principals') business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, limited liability company, corporation, or other legal entity that directly or indirectly owns any interest in Franchisee or in the Franchise Business shall sell, assign, transfer, convey, pledge, merge, or give away 50% or less of any direct or indirect interest in this Agreement or in Franchisee (collectively, an "Assignment"), without providing notice to GHC thirty (30) days before any such proposed Assignment is to take place and without complying with the conditions for such Assignment described in this Section 14.4 below. GHC acknowledges that Franchisee has the right to offer the Franchise or an interest therein for sale during the term of the Agreement to a third-party purchaser meeting GHC's standards and conditions. Any purported Assignment that does not occur in accordance with this Section 14.4 shall be null and void and shall constitute a material breach of this Agreement, for which GHC may immediately terminate without

opportunity to cure pursuant to Section 15 of this Agreement. The following conditions shall apply to any proposed Assignment hereunder:

- 14.4.1 The proposed assignee must not be involved in any business that is competitive with or similar to a GHC Business operating under the Marks and the System, or that would violate the non-competition or non-solicitation covenants in Section 17 hereof;
- 14.4.2 Subject to applicable law, assignee, assignor, Franchisee, and all of its Principals shall execute a general release and indemnification agreement in favor of GHC, and assignor shall agree to be bound by all the applicable post-termination provisions of this Agreement; provided, however, that there shall not be released any pending claims for which Franchisee has either (a) filed a notice of mediation or notice of arbitration under Section 19 hereof; or (b) if such claim is not subject to mediation and arbitration pursuant to Article 19, actually filed and served GHC with notice of such claim; and
- 14.4.3 No fee for any Assignment will be required.

*14.5 RIGHT OF FIRST OFFER.* If Franchisee proposes to Transfer the Franchise to any third party (other than a corporation partnership, or limited liability company as set forth in Section 14.9 hereof), Franchisee shall first offer the Franchise to GHC by setting forth the price, payment terms, and other material contract terms Franchisee will accept in a written letter of intent (“Letter of Intent”). GHC will then have the right and option, exercisable within thirty (30) days after GHC receives the Letter of Intent, to notify Franchisee in writing that GHC intends to purchase the Franchise on the same terms and conditions contained in the Letter of Intent. If GHC exercises its option, closing will occur within sixty (60) days after GHC notifies Franchisee of its intent to exercise its right of first offer. If GHC elects not to accept the offer within the thirty (30) day period, Franchisee shall have three hundred sixty-five (365) days to complete the Transfer on the terms that equal or exceed the terms described in the Letter of Intent, subject to compliance with the conditions for GHC’s approval set forth in Section 14.2 hereof. Any final Transfer subject to this Section 14.5 shall be consistent with the Letter of Intent executed by Franchisee and the third -party buyer. Any change in the sales terms from those in the Letter of Intent that are less than those imposed in the Letter of Intent shall be deemed a new proposal, subject to GHC’s right of first offer. In such event, Franchisee shall provide GHC a revised Letter of Intent, which will be subject to GHC’s right and option as described in this Section 14.5 above. So long as Franchisee has obtained GHC’s prior written consent, which shall not be unreasonably withheld, a Transfer to Franchisee’s spouse or adult child is not subject to GHC’s first right of first offer.

*14.6 BUSINESS CONTINUITY PLAN.* GHC requires the Franchisee to formulate annually its Business Continuity Plan and to update and submit the Business Continuity Plan to GHC with home address, contact and cell numbers, and persons designated to assist in the event of a disruption in Franchise function for whatever cause or reason.

*14.7 DEATH OF FRANCHISEE.* In the event of Franchisee's death (or the death of Franchisee's Principal who is operating the Franchise), the operations of the Franchise shall automatically become the responsibility of the party or parties identified within the Business Continuity Plan. If no such plan exists, GHC has the right (but does not have the obligation), in its Sole Discretion, to assume the immediate and total management and administrative responsibility for the Franchise in order to assure its continued smooth operation. The cost of providing such management and administrative services shall become part of the overhead of the Franchise, and GHC shall have the right to deduct such overhead from the Franchisee's designated bank account. If the Franchise is not under an agreement of sale within six (6) months of Franchisee's death (or Franchisee's Principal's death), GHC shall have the right to market the Franchise on behalf of the estate and the estate shall be bound to accept any reasonable agreement of sale negotiated by GHC. If the Franchisee (or its Principal) dies during the term of the Franchise Agreement and his/her personal representative does not desire to sell the Franchise, and if, under the controlling local law, the deceased Franchisee's (or Principal's) interest in Franchise and this Agreement are distributable to heirs or legatees who are members of the deceased's immediate family and who otherwise would qualify as transferees as defined and discussed in Section 14.3 hereof, then such attempted Transfer by operation of law or will shall not be deemed in violation of this Agreement. GHC's right of first offer shall not apply to any Transfers under this Section 14.7.

*14.8 FRANCHISEE'S DISABILITY.* In the event that Franchisee (or its Principal who is operating the Franchise) becomes disabled in any respect, whether physically or mentally, as certified by a licensed physician, Franchisee or his/her agent shall notify GHC within seven (7) days. In such event, the operations of the Franchise will automatically become the responsibility of the party or parties identified in the Business Continuity Plan. If no such plan exists, GHC shall have the right, in its Sole Discretion, to assume temporary management and administrative responsibility for the Franchise in order to assure the smooth operation of the Franchise. The cost of providing such temporary management and administrative services shall become part of the overhead of the Franchise, and GHC shall have the right to deduct such overhead from the Franchisee's designated bank account. If Franchisee's (or its Principal's) disability prevents Franchisee (or its Principal) from resuming active management of the Franchise within two (2) weeks, and management acceptable to GHC has not been installed, Franchisee or his/her agent shall notify GHC of a management plan, which must be acceptable to GHC, to assure the smooth operation of the Franchise for the duration of the disabled party's disability. At the end of one (1) month, Franchisee (or its Principal) must demonstrate to GHC that Franchisee (or its Principal) will be able to resume active management of the Franchise within the next two (2) months. If any of the conditions herein are not met, GHC shall have the right to market the Franchise on the same terms as provided in Section 14.6 above.

*14.9 TRANSFER TO FRANCHISEE'S ENTITY.* If Franchisee desires to assign Franchisee's rights under this Agreement to a corporation, partnership, or limited liability company formed by Franchisee (the "Entity"), and if all of the following conditions are met, GHC will consent to the assignment without assessing the Transfer Fee set forth in Section 14.3:

- 14.9.1 The current or existing individual Franchisee owns more than 50% interest in the entity and the entity's other Principals meet GHC standards for ownership;
- 14.9.2 The Entity is newly organized for the purpose and its activities are confined solely and exclusively to acting as the Franchisee under this Agreement;
- 14.9.3 The Entity's charter or organizational documents specifically provide for dissolution of the Entity in the event of non-renewal, Termination, or Transfer of the Franchise;
- 14.9.4 All certificates representing ownership interests in the Entity bear a legend stating that they are subject to the terms of this Agreement;
- 14.9.5 All obligations of Franchisee in connection with the Franchise have been assumed by the Entity;
- 14.9.6 Franchisee executes Franchisor's Assignment and Assumption Agreement, and any individual holding 5% or more of the ownership interest in the Entity shall execute, on a form approved by GHC, a personal guarantee and agreement not to transfer his or her ownership interests in the Entity without GHC's prior written consent as required hereunder, and subject to applicable law, assignee, assignor, Franchisee, and all of its Principals shall execute a general release and indemnification agreement in favor of GHC; provided, however, that there shall not be released any pending claims for which Franchisee has either (a) filed a notice of mediation or notice of arbitration under Section 19 hereof; or (b) if such claim is not subject to mediation and arbitration pursuant to Article 19, actually filed and served GHC with notice of such claim; and
- 14.9.7 Franchisee must complete the List of Principals in Attachment 3 to provide the information regarding Franchisee's shareholders, partners, or members ("Principals") and their ownership interests in Franchisee.

*14.10 ACKNOWLEDGMENT.* Franchisee acknowledges that goodwill arising from Franchisee's use of the Marks or the System shall inure to GHC's benefit, and not to Franchisee on Termination or Expiration of this Agreement. GHC acknowledges and agrees that Franchisee has a right to sell Franchisee's business, subject to the transfer provisions in this Section 14 hereof, and to benefit from the sale of such business, and to sell Client lists developed by Franchisee, Caregiver lists developed by Franchisee, other information (to the extent permitted hereunder), and the goodwill of such business as part of the Franchise as an operating business.

## 15. DEFAULT AND TERMINATION

*15.1 IMMEDIATE TERMINATION BY GHC.* GHC may terminate this Agreement and the Franchise granted by it effective immediately upon delivery of written notice of Termination, if the Franchisee:

- 15.1.1* Makes an assignment for the benefit of creditors and an admission of his/her/its inability to pay his/her obligations as they become due or files a voluntary petition in bankruptcy other than a Chapter 13 bankruptcy;
- 15.1.2* Abandons the Franchise. The term “Abandon” includes any conduct, intentional or otherwise, which results in the Franchise failing to operate for a period of seven (7) to ten (10) calendar days without Franchisor’s prior written approval;
- 15.1.3* Franchisee or any of Franchisee’s Principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of the Franchise; provided, however, that if Franchisee or any of Franchisee’s Principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of the Franchise, GHC shall not have the right to terminate this Agreement if Franchisee or such Franchisee Principal relinquishes or otherwise enters into an agreement to dispose of its ownership interest in the Franchise (pursuant to Section 14 of this Agreement) within thirty (30) days following the conviction or plea or criminal misconduct, and completes such transaction within one hundred and eighty (180) days from such conviction or plea or criminal misconduct;
- 15.1.4* Makes an unauthorized Transfer or Assignment of this Agreement, the Franchise, or ownership of Franchisee;
- 15.1.5* Makes any intentional material unauthorized use of the Marks, Operations Manual, Confidential Information, or other copyright protected or proprietary materials, or trade/business information concerning GHC operations;
- 15.1.6* Has made any material misrepresentations or misstatements on the application for Franchise, Franchise renewal, Transfer, Assignment, or with respect to the ownership or operation of the Franchise;
- 15.1.7* Violates the non-compete provisions or materially violates any confidentiality portions of this Agreement; or

15.1.8 Has committed any default under Section 15.2 at least three (3) times during any five-year period during the term of this Agreement, regardless if Franchisee has cured such defaults.

15.2 *TERMINATION AFTER NOTICE AND OPPORTUNITY TO CURE.* GHC may terminate this Agreement and the Franchise granted by it if Franchisee commits and fails to correct any of the following defaults after GHC provides Franchisee notice and a thirty (30) day cure period:

- 15.2.1 Fails to have the Franchise open and in operation within 90 days of completion of training as required by Section 5.2 above;
- 15.2.2 Fails to deposit all Gross Receipts into Franchisee's designated bank account on or before the due date for the weekly sales report reflecting such Gross Receipts or fails to pay GHC any monies when due hereunder;
- 15.2.3 Fails to pay the Minimum Royalty Requirement or the required General Marketing Fee;
- 15.2.4 Fails to immediately report to GHC any and all incidents related to the Franchise that might lead to legal action against either GHC or Franchisee;
- 15.2.5 Fails to maintain adequate records as required in the Manuals;
- 15.2.6 Fails to pass Quality Reviews by GHC for adherence to the policies, procedures, rules, and/or guidelines as set forth in the Manuals and applicable local, state, and federal regulations or fails to provide a Corrective Action Plan within thirty (30) days of Franchisee's receipt of a Notice of Deficiency;
- 15.2.7 Fails to adhere to any material provision of this Agreement or any specification, standard, or operating procedures prescribed by GHC;
- 15.2.8 Fails to operate the Franchise in accordance with any federal, state, county, or local laws; or
- 15.2.9 Makes any unauthorized use of the Marks, Manuals, Confidential Information, or other copyright protected or proprietary materials, or trade/business information concerning GHC operations.

15.3 *STEP IN RIGHTS.* In addition to GHC's right to terminate this Agreement, and not in lieu of such right, or any other rights GHC may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), GHC has the right, but not the obligation, to exercise complete authority with respect to the operation of the Franchise, including the right to enter upon the Franchise's office, if applicable, until such time as GHC determines, in its Reasonable Discretion that the default has been cured, and Franchisee is otherwise in compliance

with this Agreement. If the Franchise's office is located in a personal residence, Franchisee shall provide GHC with such records and information sufficient to enable GHC to relocate the business to other premises for the duration of GHC's operation of the Franchise under this Section. In the event GHC exercises the rights described in this Section, Franchisee must reimburse GHC for all reasonable costs and overhead, if any, incurred in connection with its operation of the Franchise including costs of personnel for supervising and staffing the Franchise and their travel and lodging accommodations. If GHC undertakes to operate the Franchise pursuant to this Section, (i) Franchisee agrees to indemnify and hold GHC (and GHC's representative(s) and employees) harmless from and against any fines, claims, suits, or proceedings commenced by any third-party unaffiliated with Franchisor that arise out of events occurring during Franchisee's operation of the Franchise prior to Franchisor's operation of the Franchise, regardless of when such fine, claim, suit, or proceeding is asserted, and (ii) Franchisor agrees to indemnify and hold Franchisee (and Franchisee's representative(s) and employees) harmless from and against any fines, claims, suits, or proceedings commenced by any third-party unaffiliated with Franchisee that arise out of events occurring during Franchisor's operation of the Franchise.

## **16. OBLIGATIONS ON TERMINATION OR EXPIRATION**

*16.1 POST-TERMINATION OBLIGATIONS.* Upon Termination for cause or without cause, refusal, decision, or failure to renew or extend the Franchise Agreement, whether by the Franchisee, GHC, or Expiration of the Franchise Agreement, Franchisee is obligated within (unless otherwise specified) twenty (20) days to:

- 16.1.1* Deposit all outstanding Gross Receipts into Franchisee's designated bank account on or before the due date for the weekly sales report reflecting such Gross Receipts and pay any monies due to GHC hereunder;
- 16.1.2* Agree to continue maintenance of the designated bank account, submission of required sales reports, and authorization for Franchisor to deduct Royalties and other amounts owed under the Franchise Agreement for the duration of Franchisee's continued receipt of Gross Receipts;
- 16.1.3* Return to GHC all Confidential Information (as defined in Section 10.1) then in the possession or control of the Franchisee;
- 16.1.4* Turn over to GHC, or a designated GHC agent, a copy of all Franchise records and Joint Confidential Information, including but not limited to Caregiver files, phone lists, referral sources marketing information, Rolodexes, databases, software copies, Client files, Care Recipient files, employee records, accounting records, and correspondence; provided, however that Franchisee may retain such records as necessary to comply with applicable legal requirements;
- 16.1.5* Destroy all branded office supplies, printed forms, stationery, banners, stamps, marketing materials, and software;

- 16.1.6* Take such action as may be required to cancel all assumed names or equivalent registrations relating to the use of any name or mark of or associated with the Franchise, and to notify the telephone company and listing agencies of the termination, expiration, or transfer of Franchisee's right to use all telephone numbers and all classified or other directory listings of the Franchise and direct the telephone company to transfer all such numbers and listings to Franchisor or Franchisor's designee pursuant to the Conditional Assignment of Telephone Numbers or, if Franchisor directs, to disconnect the numbers;
- 16.1.7* If the operation of the Franchise is to be continued by GHC or another franchisee at the same location, to turn over the lease for the premises together with receipts for payments through the date of Termination and all keys pursuant to the terms of the Collateral Assignment of Lease; provided, however, that if Franchisee or an affiliate of Franchisee owns the premises it shall lease such premises to GHC or such franchisee at fair market value. Otherwise, Franchisee shall retain the lease and all obligations related to it, including but not limited to, arranging for its cancellation and the payment of any penalties that might result, or the subletting of the premises if feasible. GHC retains the right to determine in its Reasonable Discretion whether to seek to continue the lease;
- 16.1.8* Disclose all leases, contracts, purchase orders, service agreements, or other contracted-for things or services that will have ongoing financial consequences to the Franchise. GHC retains the right, in its Reasonable Discretion, to determine the viability of retaining available rights under the various documents or understandings, if any, and Franchisee will be responsible for discharging any outstanding contract(s) or understanding(s) that GHC specifies is/are to be so discharged prior to Termination;
- 16.1.9* Discharge through date of Termination all outstanding bills, debts, obligations, contracts, leases, purchase orders, service agreements, and/or understandings not specifically retained by GHC;
- 16.1.10* Cease doing business under GHC's names and Marks and comply with all non-disclosure and non-competition covenants in Sections 10.1 and 17.2 hereof; and
- 16.1.11* Irrevocably appoint GHC as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Marks and the Confidential Information.

**16.2 OPTION TO TRANSFER IN LIEU OF TERMINATION.** GHC and Franchisee agree that, notwithstanding Section 16.1, in the event that the parties hereto agree on a Corrective Action Plan prior to the effective date of Termination or Expiration of this Agreement, Franchisee shall have up to one hundred eighty (180) days from the date of their agreement in the Corrective Action Plan (or such longer time as the parties mutually agree in writing) to complete the Transfer agreed upon in such plan.

**16.3 REVERSION OF BUSINESS TO GHC.** Upon the Termination or Expiration of the Franchise by GHC for any cause other than Transfer to another GHC franchisee or third party, all assigned Territory and Franchise operations will immediately revert to GHC and Franchisee shall turn over to GHC a copy of the complete Franchise records on GHC's demand for same, including but not limited to, Caregiver files, referral source records, employee records, Care Recipient records, Client records, and financial records; provided, however that Franchisee may retain such records as necessary to comply with applicable legal requirements.

**16.4 OPTION TO PURCHASE PERSONAL PROPERTY.** Upon the Termination or Expiration of this Agreement, GHC, or GHC's designee shall have the right, but not the obligation, to be exercised by notice of intent to do so within sixty (60) days after Termination or Expiration, to purchase any or all physical assets of the Franchise, including furniture, fixtures, equipment, supplies, and other inventory, advertising materials, and all items bearing the Marks, at fair market value with no allowance for goodwill. If the parties cannot agree on fair market value within ninety (90) days, the determination of an independent appraiser designated jointly by GHC and the Franchisee shall be binding, and the cost of any such appraisal shall be shared equally between GHC and Franchisee. If GHC elects to exercise any option to purchase, as herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, if any, against any payment therefore and the Franchisee's share of the cost of the appraisal, if any. All items to be purchased by GHC, if any, shall be free and clear of any and all liens, judgments, claims, or the like. If GHC exercises its option to purchase, pending the closing of such purchase, GHC has the right to appoint a manager to maintain operation of the Franchise. Franchisee is required to maintain in force the lease for the Franchise, if applicable, required under this Agreement until the date of such closing. GHC has the unrestricted right to assign this option to purchase the assets of the Franchise.

## **17. NON-COMPETITION & NON-SOLICITATION OBLIGATIONS**

**17.1 IN-TERM NON-COMPETITION AND NON-SOLICITATION COVENANTS.** Franchisee shall not, during the term of this Agreement, act as an owner, partner, director, officer, employee, consultant, salesperson, representative, advisor, agent, or otherwise assist in any other capacity any agency, registry, office, or other business supplying, in whole or in part, caregiver referral, personal care, homemaking, companionship, or incidental transportation services. During the term of the Franchise Agreement, Franchisee shall not, either on Franchisee's own account or for any person, firm, partnership, corporation, proprietorship, or other entity, directly or indirectly (i) solicit, interfere with, induce, attempt to induce, or endeavor to cause any agent, vendor, Client, Care Recipient, account, or referral source of Franchisee and/or GHC to terminate his or her relationship with GHC or (ii) do business with any third party that is a competitor with GHC.

*17.2 POST-TERM NON-COMPETITION AND NON-SOLICITATION COVENANTS.* During the term of and for a period of one (1) year after the Termination, Expiration or Transfer of this Agreement, subject to applicable law, Franchisee shall not:

*17.2.1* Act as an owner, partner, franchisee, officer, employee, consultant, salesperson, representative, advisor, agent, or in any other capacity in any agency, registry, office, or other business supplying in whole or in part caregiver referral, personal care, homemaking, companionship services, or incidental transportation services (i) within the Territory, or (ii) within twenty (20) miles of (a) boundary of the Territory being granted hereunder or (b) any other franchisee or company owned territory licensed or operated by GHC as of the date of Expiration, Transfer, or Termination of this Agreement; or

*17.2.2* Solicit any Client or Care Recipient to whom Franchisee provided any Service under this Agreement during the one (1) year prior to the Termination, Expiration, or Transfer of this Agreement for any competitive business purpose. Notwithstanding the foregoing, Franchisee may, after the Transfer, Termination, or Expiration and non-renewal of this Agreement, use local contacts developed while operating the Franchise, including referral sources, provided such use is not for a competitive business purpose and otherwise does not violate the terms of Section 17.2.

*17.3 PRINCIPALS', SIGNIFICANT OTHER AND FAMILY CONFIDENTIALITY & NON-COMPETITION AGREEMENTS.* In the event Franchisee Transfers this Agreement to an Entity pursuant to Section 14.9 of this Agreement, Franchisee shall require each of the Entity's owners, stockholders, shareholders, managers, members, partners, board of director members, and officers to sign a Confidentiality & Non-Competition Agreement in the form attached hereto as Attachment 5 upon becoming an owner or being associated with the Entity. Franchisee shall also obtain a Confidentiality & Non-Competition Agreement from each of Franchisee's adult Family Members who have any involvement in the Franchise or access to the records and materials of the Franchise, including but not limited to the Operations Manual.

*17.4 CAREGIVERS' AGREEMENTS.* If applicable regulations allow, Franchisee will have all Caregivers sign a Client non-interference, non-solicitation, non-disclosure agreement prior to being added to Franchisee's registry.

*17.5 CONTACT WITH PROSPECTS.* If at any time during the term of the Agreement, Franchisee comes into contact or communication with a franchise candidate, for instance Franchisee is contacted by the prospective franchise candidate during that prospective franchise candidate's validation process, Franchisee agrees that Franchisee will not solicit that candidate to purchase the Franchise or its assets without advance written permission of and involvement with GHC. In the event of such a sale of the Franchise, Franchisee agrees to assume full liability for

any and all broker commissions or referral fees associated with the prospective franchisee candidate's subsequent purchase, if any.

## **18. RELATIONSHIP AMONG THE PARTIES & INDEPENDENT CONTRACTOR**

*18.1 INDEPENDENT CONTRACTOR.* Franchisee is and shall be considered an independent contractor with entire ownership, control, and direction of the Franchise and its operations, subject only to the conditions and obligations established by this Agreement, the attachments and the Manuals. Franchisee is responsible for and shall have full control over the internal management and daily operation of the Franchise and neither party to this Agreement is the agent, principal, partner, employee, employer, joint employer, or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as GHC's agent, partner, employee, or joint venture partner, and Franchisee may not incur any obligation on GHC's behalf or in GHC's name. Contractual agreements entered into by Franchisee shall contain Franchisee's corporate or fictitious name. Nothing in this Agreement authorizes Franchisee to make any contract, agreement warranty, or representation on GHC's behalf, or to incur any debt or other obligation in GHC's name; and GHC shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall GHC be liable by reason of any of Franchisee's acts or omissions in the operation of the Franchise or for any claim or judgment arising therefrom against Franchisee or GHC. Franchisee acknowledges and agrees that Franchisee has the sole authority and responsibility to make all personnel and employment decisions for the Franchise, including, without limitation, decisions related to hiring, training, firing, discharging, disciplining, and supervising employees, including setting their wages and hours of employment, record-keeping, and providing any benefits. GHC shall have no direct or indirect authority or control over any employment-related matters for Franchisee's employees.

*18.2 CONSULTATION WITH FRANCHISEE REPRESENTATIVE GROUP.* GHC agrees to consult on a periodic basis with respect to the matters of mutual interest with any Franchisee Association—i.e., any representative group of owners consisting of more than 50% of the owners that has been operating GHC Businesses for more than three years. As of January 1, 2016, the GHCFA meets this definition and is the current Franchisee Association. Franchisee agrees that GHC may consult with and consider the advice of any such group, but that GHC is not bound by its views. GHC may from time to time require that any such group of GHC Franchisees demonstrate to our reasonable satisfaction that it meets the above-described qualifications, and GHC shall have no obligation to recognize any such group that has failed or refused to so demonstrate its qualifications. Nothing contained in this Section 18.2 shall be deemed to prohibit or restrict GHC from establishing and interacting with any elected or appointed franchisee advisory board or council that qualifies as a representative franchisee group as described above, and Franchisee acknowledges that as of the date hereof, GHC has established a franchisee advisory council (referred to as the "FAC").

## **19. DISPUTE RESOLUTION/MEDIATION/ARBITRATION**

*19.1 EARLY DISPUTE RESOLUTION.* GHC and Franchisee recognize that each has placed faith in the other's capacity to execute the Griswold System and that sometimes in the

course of the franchise term, GHC and Franchisee may have fundamental disagreement concerning the Griswold System and its direction. Although GHC and Franchisee acknowledge that GHC is the chief steward of the Griswold System, GHC recognizes that it or a franchisee may wish to end the Franchise Relationship before the Expiration of its term. In that event, GHC and Franchisee pledge that each shall be forthright and candid with each other in an effort to end the relationship without resort to formal or adverse proceedings, and shall explore various potential resolutions of their relationship including, but not limited to, voluntary sale of Franchisee's business to a new franchisee, repurchase of Franchisee's business by GHC, and purchase by Franchisee of GHC's contract rights under this Agreement. In the event that GHC or Franchisee has a claim or dispute with the other, or with any affiliates of each other, that arise under, or relate to, this Agreement, any other agreement between them, the relationship between them, or their respective rights and obligations, then GHC or Franchisee shall provide the other party to this Agreement with a notice with the basis for such claim or dispute to the other party, along with proposed dates (that fall within thirty (30) days of such notice) for both GHC and Franchisee to meet in person and to discuss such claim or dispute. The parties shall continue to seek to resolve such claim or dispute for an additional thirty (30) days, or such longer period as they shall mutually agree on. If they fail to resolve such claim or dispute within the sixty-day period from the date of the notice of such claim or dispute, then either party may pursue mediation and arbitration as described in Sections 19.2 and 19.3 hereof, respectively.

*19.2 MEDIATION AS NEXT STEP IN DISPUTE RESOLUTION.* GHC and Franchisee also recognize that sometimes claims or disputes arise that should not result in either of them seeking to end the Franchise Relationship. In that event, GHC and Franchisee pledge that each shall be candid and forthright with each other in an attempt to resolve any such claims or disputes. Unless the parties otherwise agree, prior to proceeding to arbitration as provided in Section 19.3, either party shall have the right to submit to mediation claims or disputes between them, or any affiliates of either, that arise under, or relate to, this Agreement, any other agreement between them, the relationship between them, or their respective rights and obligations. Mediation must occur in Philadelphia, PA, under the mediation rules of the American Arbitration Association then in effect, unless GHC and Franchisee then agree otherwise in writing. GHC and Franchisee shall bear their own costs of mediation (e.g., lawyers, and similar expenses) and GHC and Franchisee shall equally share mediation expenses (e.g., mediator fee, room expense, and similar expenses); provided, however, that GHC shall reimburse Franchisee for fifty percent (50%) of (a) the economy travel costs and (b) up to one (1) day of lodging for up to two (2) principals of Franchisee for any mediation in Philadelphia, PA; and that Franchisee shall reimburse GHC for fifty percent (50%) of (a) its economy travel costs, and (b) one (1) day of lodging up to two (2) principals of GHC for any mediation in the Territory. This agreement to mediate shall survive any Termination or Expiration of this Agreement. The parties agree that any mediation shall only be between GHC and Franchisee, and that neither will seek to join any other franchisee, or any group or class of franchisees, to the mediation, even if the disputes of other proposed participants are similar, unless the parties otherwise agree.

*19.3 ARBITRATION.* GHC and Franchisee also recognize that sometimes claims or disputes arise that are so fundamental that either of them may seek to have a third party decide the claims or disputes. In that event, GHC and Franchisee agree that neither shall sue the other in a

court (except as provided in Section 19.4.1), and that both must only submit claims or disputes between them to arbitration for resolution as this Section 19.3 provides. Accordingly, GHC, Franchisee and its affiliates, owners, and principals agree that all disputes, controversies, claims, or demands by one against the other shall be submitted to one arbitrator in Philadelphia, PA, under the arbitration rules of the American Arbitration Association then in effect, unless GHC and Franchisee then agree otherwise in writing. GHC and Franchisee shall bear their own costs of arbitration (e.g., lawyers and similar expenses) and GHC and Franchisee shall equally share arbitration expenses (e.g., arbitrator fee, room expense, and similar expenses); provided, however, that GHC shall reimburse Franchisee for fifty percent (50%) of (a) the economy travel costs and (b) up to five (5) days of lodging for up to two (2) principals of Franchisee for any arbitration in Philadelphia, PA; and that Franchisee shall reimburse GHC for fifty percent (50%) of (a) its economy travel costs, and (b) up to five (5) days of lodging up to two (2) principals of GHC for any arbitration in the Territory. This agreement to arbitrate shall survive any Termination or Expiration of this Agreement. The parties agree that any arbitration shall only be between GHC and Franchisee, that neither will seek to join any other franchisee, or any group or class of franchisees to any arbitration, even if the disputes of other proposed participants are similar, unless the parties hereto otherwise agree.

*19.4 OTHER IMPORTANT PROVISIONS APPLYING TO GHC AND FRANCHISEE.*

- 19.4.1* Both GHC and Franchisee may seek from any court having personal and subject matter jurisdiction a writ of attachment, temporary injunction, preliminary injunction, and/or other emergency relief to safeguard and protect their respective non-economic interests, including but not limited to trademark rights, rights under restrictive covenants, confidentiality rights, any matter involving health or safety of any Care Recipient or caregiver, or state licensure.
- 19.4.2* Both GHC and Franchisee waive, relinquish, and give up any right to demand a jury trial of any dispute between them to avoid the delay of a jury trial and to facilitate the prompt and expeditious resolution of any claims or disputes between them.
- 19.4.3* Both GHC and Franchisee agree that the Eastern District of Pennsylvania shall be the only venue in which either of them may file suit against the other, and both agree irrevocably to personal jurisdiction within the District.
- 19.4.4* Both GHC and Franchisee agree that neither shall withhold any payment to the other, nor set aside such monies in an escrow account, on the grounds of alleged nonperformance or as an offset against any amount allegedly due the other.
- 19.4.5* Both GHC and Franchisee agree that each shall promptly bring to the attention of the other, and shall promptly seek resolution of, any claims or

disputes arising under or relating to this Agreement or their relationship; neither wishes claims and disputes to linger, and both value the positive impact of timely addressing and resolving claims and disputes. Accordingly, both GHC and Franchisee agree that neither shall bring a claim or dispute against the other after two (2) years has expired from the act or transaction, or failure to act or omission, alleged to result in harm or injury to the other; provided that if the act or transaction, or failure to act or omission, alleged to result in harm or injury to the other was fraudulently concealed, GHC and Franchisee agree that neither shall bring a claim or dispute against the other more than two (2) years after the injured party's discovery of the act or omission that was fraudulently concealed.

19.4.6 Both GHC and Franchisee agree that neither shall seek punitive or exemplary damages against the other unless specifically provided by statute.

19.4.7 Both GHC and Franchisee agree that, in the event of arbitration and an arbitration award that identifies a prevailing party, that party shall be entitled to reasonable attorneys' fees and costs attributable to that portion of any arbitration award on which the party has prevailed.

## **20. NO WARRANTY BY GHC**

*20.1 INDEPENDENT BUSINESS.* Franchisee understands that the success of the franchise undertaken by Franchisee hereunder depends largely upon the ability and efforts of the franchisee and its Principals, to operate as independent businesspersons. Franchisee expressly disclaims receipt of any warranty, express or implied, or of any claim or representation as to the potential successor profitability of the business venture herein contemplated, in making the business venture profitable without substantial effort, risk, and work by Franchisee and/or its Principals, if any.

*20.2 FRANCHISEE ACKNOWLEDGEMENTS.* Franchisee acknowledges entering into this Agreement after making a thorough and independent investigation of GHC and not by virtue of any representations as to levels of revenue or profits that franchisee might be expected to realize. Franchisee acknowledges that no person has made any other representation that is not expressly set forth herein or in the Franchise Disclosure Document provided to Franchisee with this Agreement in order to induce Franchisee to purchase this Franchise and execute this Agreement. Franchisee further acknowledges that it has: (i) received and evaluated all documents and information that the Franchisee has deemed appropriate and necessary; and (ii) had sufficient time and opportunity to consult with its own financial, legal, and other professional advisors with respect to this Agreement and the activities contemplated by this Agreement, and based on such review and consultation with the Franchisee's own advisors, has independently and without reliance upon Franchisor, made its own decision to enter into this Agreement.

**20.3 ADDITIONAL ACKNOWLEDGMENTS.** Franchisee acknowledges and agrees that (1) the regulation of home care workers and caregivers is subject to change from time to time under federal and/or state law; (2) states have varying requirements for home care workers and caregivers (including, without limitation, requirements related to workers' compensation, unemployment insurance, and state taxes); (3) such requirements may affect the categorization of the home care worker or caregiver relationship for federal and/or state law purposes; (4) GHC will provide Franchisee with information and reasonable training to facilitate Franchisee's mandatory compliance with such laws, based upon GHC's reasonable business judgment; and (5) Franchisee acknowledges that such mandatory compliance may differ among franchisees in the System in different states.

## **21. MISCELLANEOUS**

**21.1 REPRESENTATIONS AND WARRANTIES.** Franchisee and its Principals represent and warrant to GHC that: (a) neither Franchisee nor any of its Principals have made any untrue statement of any material fact nor omitted to state any material fact in obtaining the rights granted herein; (b) neither Franchisee nor any of its Principals have any direct or indirect legal or beneficial interest in any business that may be deemed a competitive business, except as otherwise completely and accurately disclosed in the Franchise application materials; (c) Franchisee and its Principals have a legal right to own and operate the Franchise; and (d) neither Franchisee nor its Principals have been designated as suspected terrorists under U.S. Executive Order 13224, or any similar anti-terrorism law. Franchisee recognizes that GHC approved Franchisee in reliance on all of the statements Franchisee and its Principals have made in connection therewith, and that Franchisee has a continuing obligation to advise GHC of any material changes in these statements and representations made to GHC in this Agreement or in the Franchise application materials.

**21.2 ENTIRE UNDERSTANDING OF THE PARTIES.** This Agreement contains the entire understanding of the parties and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be given any force or effect. Nothing in this Agreement or in any related agreement is intended to disclaim the information provided by GHC in the GHC Franchise Disclosure Document.

### **21.3 ENFORCEMENT & SEVERABILITY.**

**21.3.1** This Agreement shall be binding on the parties hereto and their permitted heirs, successors, and assigns. Only the Agreement itself is binding upon the parties (subject to state law); any other promises may not be enforceable. This Agreement may only be amended in writing and with the consent of both parties hereto.

**21.3.2** No partial or complete failure by GHC to exercise any of its rights or powers hereunder or failure to demand strict compliance by Franchisee with any term, condition, covenant, or other obligation hereof, and no practice of the parties at variance with the terms hereof, shall constitute a waiver of GHC's rights to demand exact compliance with the terms hereof

or preclude GHC from exercise of any right or remedy. Each and every right or remedy granted to GHC under this Agreement or under any other agreement, instrument, or document, or at law or in equity, shall be deemed cumulative and may be exercised from time to time. Any waiver of a default hereunder shall be in writing and shall not operate as a waiver of any other default or the same default on a future occasion.

21.3.3 If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced, by reason of any rule of law, administrative order, judicial decision, or public policy, all other conditions and provisions of this Agreement shall, nevertheless, except as hereinafter expressly set forth, remain in effect, and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein. The parties hereto agree and consent that the court or other body making such determination shall reform such covenant, term, condition, or other provision of this Agreement so as to render the same enforceable to the fullest extent permitted by law. Notwithstanding anything set forth in this paragraph, if GHC determines the unenforceability of any provision affects its basic consideration with respect to the Agreement, GHC shall have the right to terminate this Agreement.

21.4 *HEADINGS.* All headings in this document are intended for ease of reference only and are not to be construed otherwise.

21.5 *FORCE MAJEURE.* Neither party shall be deemed in default of this Agreement if its delay in performance or failure to perform any of its obligations hereunder arises from a cause that is beyond the reasonable control of the party prevented from performing, including labor strikes, transportation delays, mechanical or electronic equipment breakdowns, power failures, acts of terrorism, and acts of God; provided, however, that this provision shall not relieve Franchisee from the obligation with reasonable accommodation to pay fees and other monies payable to GHC as required hereunder, including under Section 4 hereof.

21.6 *DEFINED TERMS.* The defined terms listed in Attachment 1 are hereby incorporated into this Agreement and made a part hereof. To the extent that any definition in Attachment 1 is inconsistent with the definition used in this Agreement, the definition in the body of the Agreement shall govern.

21.7 *NOTICES.* All notices hereunder shall be in writing and shall be personally delivered by any means that affords the sender evidence of delivery or rejected delivery, including private delivery or courier service (but not electronic communication such as e-mail). Any notice to GHC shall be addressed to its headquarters and any notice to Franchisee shall be addressed to the business address of the Franchisee, or at such other address as the parties designate by written notice to the other party. Any notice by a means that affords the sender evidence of delivery or

rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

21.8 *CHOICE OF LAW.* The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania unless otherwise specified and without reference to conflicts of law principles.

21.9 *COUNTERPARTS.* This Agreement is executed in counterparts with an original given to each party for their respective records and files.

*Signatures appear on the following page.*

**IN WITNESS WHEREOF**, intending to be legally bound hereby, the parties hereto have set their hands and seals as of the date below. The Effective Date for this Agreement shall be the date Franchisor executes this Agreement.

Witness: \_\_\_\_\_

FRANCHISEE:

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

\_\_\_\_\_  
, Individually

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

E-mail: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

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

FRANCHISOR:

Witness: \_\_\_\_\_

Griswold International, LLC

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

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

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

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

120 West Germantown Pike, Suite 200  
Plymouth Meeting, Pennsylvania 19462  
(effective July 1, 2020: 510 Township Line Road,  
Suite 210, Blue Bell, Pennsylvania 19422)

T: 215-402-0200

F: 215-402-0202

Email: \_\_\_\_\_

## Attachment 1

### Definitions

1. **80 Hour Case**—A home care case in which one or more Caregivers provides a Care Recipient more than eighty (80) hours worth of Caregiver Services during the preceding weekly reporting period.
2. **Abandon**—Any conduct, intentional or otherwise, which results in the Franchise failing to operate for a period of seven (7) to ten (10) calendar days without Franchisor’s prior written approval.
3. **Affirmative Transfer Right**—Defined in Section 4.3.6.
4. **Agreement**—This Franchise Agreement.
5. **Assignment**—The sale, assignment, transfer, conveyance, pledge, merging, or giving away of 50% or less of any direct or indirect interest in this Agreement or in Franchisee.
6. **Brand Standards**—The standards that GHC requires for the goods and services offered under the System by Franchisee and that are associated with the Marks, as GHC determines in its Reasonable Discretion and publishes in the Manuals or otherwise in writing from time to time.
7. **Business Continuity Plan**—An annual written document plan to be prepared by Franchisee for emergency planning.
8. **Business Model**—A manner of doing business as authorized and prescribed in the Manuals that are part of the GHC System. GHC’s current business models are (1) the Registry Business Model, and (2) the Full Employment Business Model. In certain instances where GHC determines that applicable state law permits, a franchisee may operate separate businesses in the same Territory under separate Franchise Agreements, one of which operates under a Registry Business Model and the other of which operates under a Full Employment Business Model. We refer to this as a Dual Business Model. Household Employer, while not a model in and of itself, is a payment option used in the Registry Business Model, wherein payment to Caregivers is done by a third party on behalf of the Client. Exempt Employee (or EE) is a term used in the Registry Business Model to describe situations where it is necessary for the franchisee to pay state workers’ compensation and/or state unemployment insurance.
9. **Care Recipient**—A customer receiving Caregiver Services.
10. **Caregiver**—A carefully screened, credentialed individual that provides Caregiver Services to Care Recipients.

11. **Caregiver Services**—Personal care, homemaking, companion care, incidental transportation, and other ancillary, supportive services provided to adult Clients requesting such services, provided by referred Caregivers.
12. **Client**—A customer paying for Caregiver Services on behalf of a Care Recipient.
13. **Common Mission**—The shared commitment by GHC and Franchisee to promote the Marks and enhance customer goodwill toward the network of GHC Businesses operating under the Marks and System, by strengthening and growing the network of GHC Businesses operating under the Marks and System and dedicated to maintaining the dignity, comfort, safety, personal hygiene, well-being, and happiness of each and every Care Recipient by referring the highest quality professional Caregivers.
14. **Confidential Information**—Defined in Section 10.1.
15. **Cooperative**—A regional advertising and promotional cooperative.
16. **Corrective Action Plan**—A written plan (1) submitted to GHC by Franchisee for correcting each deficiency GHC lists in a Notice of Deficiency or (2) agreed upon in writing with GHC for a Transfer of the Franchise within a specified time period, in lieu of Franchisee’s curing GHC’s notice of default to Franchisee.
17. **Day Rate Payment**— Payment for a full day of Caregiver Services that is calculated based on a full-day rate of a minimum of at least eight (8) hours and not on an hourly basis.
18. **Dual Business Model**—In certain instances where GHC determines that applicable state law permits, a franchisee may operate separate businesses in the same Territory under separate Franchise Agreements, one of which operates under a Registry Business Model and the other of which operates under a Full Employment Business Model. We refer to this as a dual business model.
19. **Effective Date**—The date of GHC’s execution of this Agreement as reflected on the signature page of this Agreement.
20. **EFT Program**—Each week, GHC will collect Royalty and other amounts due by automatically deducting all payments owed to GHC under the Franchise Agreement or any other agreement between Franchisee and GHC, from Franchisee’s designated bank account.
21. **Expiration**—The end of the term of this Agreement, after which the Franchisee has no continued right to operate the business. GHC reserves the right to extend the term of the Agreement in its Reasonable Discretion.
22. **FAC**—GHC’s Franchisee Advisory Council.

23. **Family Member**—A Franchisee’s spouse or partner, adult children, parents, and/or siblings who have any involvement in the Franchise or access to the records and materials of the Franchise, including but not limited to the Operations Manual.
24. **Franchise**—The GHC Business operated by Franchisee under this Agreement.
25. **Franchise Relationship**—The relationship between a Franchisee and GHC under this Agreement.
26. **Franchisee Association**—Any representative group of owners consisting of more than 50% of the owners that have been operating GHC Businesses for more than three years. As of January 1, 2016, the GHCFA meets this definition and is the current Franchisee Association.
27. **Franchisee**—The adult individual(s) named on the signature page of this Agreement.
28. **Franchisee Entity**—A legal entity such as a corporation, partnership, or limited liability company formed by a Franchisee.
29. **Franchisee Indemnitees**—Defined in Section 13.
30. **Franchisee Indemnitor**—Defined in Section 13.
31. **Franchisee Liabilities** – Defined in Section 13.
32. **Franchisee Services**—The identification, recruitment, placement, facilitation, and/or consultation with respect to homecare services provided by Franchisee to Clients and/or Care Recipients consistent with the Business Model approved in the Franchisee’s Territory, and in accordance with applicable law.
33. **Franchisee’s Principals**—A Franchisee’s shareholders, partners, or members with ownership interests in the Franchise.
34. **Franchisor or GHC**—Griswold International, LLC.
35. **Franchisor Indemnitees**—Defined in Section 13.
36. **Franchisor Indemnitor**—Defined in Section 13.
37. **Franchisor Liabilities**—Defined in Section 13.
38. **Full Employment Business Model**—The Business Model utilized by GHC Businesses in which Franchisees directly hire Caregivers to provide Caregiver Services to Care Recipients.
39. **General Marketing Fee**—A monthly fee payable by Franchisee to the General Marketing Fund as described in 12.2.1.

40. **General Marketing Fund**—A fund to which Franchisees pay a General Marketing Fee, which is maintained and administered by GHC to develop branded marketing programs and tools to support and promote the Franchisee Services and Caregiver Services in venues such as online, print, and public relations forums or as otherwise provided this Agreement.
41. **GHC Business**—A franchised business offering the Services and using the Systems and Marks within a designated territory.
42. **GHCFA**—The Griswold Homecare Franchise Association.
43. **Gross Receipts**—The aggregate of all amounts received by Franchisee as a result of the provision of all Services and goods provided by the Franchise during the preceding reporting period, whether in cash or for credit. Gross Receipts does not include the amount of any applicable sales tax imposed by and paid to any federal, state, municipal, or other governmental authority. Gross Receipts does not include Client reimbursements to Franchisee for actual expenses (e.g. mileage) paid by Franchisee on behalf of a Client. Also excluded from Gross Receipts are adjustments, including corrections of errors in billings and other reductions in billings given in order to develop and maintain Client relations and goodwill.
44. **Guiding Principles**—Franchisee should respect GHC’s ownership of the System, including the Marks, trade secrets, Confidential Information, and the associated goodwill, and GHC’s rights to determine the nature and quality of the products and services sold under the Marks, to control the manner in which the Marks are used and to enforce System standards. GHC should respect Franchisee’s interest in the going concern value of the Franchise.
45. **Initial Franchise Fee**—The initial fee payable by Franchisee to GHC on execution of this Agreement, as described in Section 4.1 of this Agreement, and specified in Attachment 3 of this Agreement.
46. **Joint Confidential Information**—Defined in Section 10.1.
47. **Letter of Intent**—A written document from the Franchisee provided to GHC setting forth the price, payment terms, and other material contract terms Franchisee will accept in connection with its proposed to Transfer of the Franchise to a third party.
48. **Local Lift-Off Program**—GHC’s program for Franchisees, designed to assist Franchisee in its initial development of the Franchise in the Territory.
49. **Local Lift-Off Program Fee**—The amount that Franchisee is required to pay GHC in connection with the Local Lift-Off Program as specified in Section 4.2 of the Agreement.
50. **Local Marketing Requirement**—Defined in Section 12.3.

51. **Manuals**—The Manuals consist of the GHC’s Operations Manuals, State Compliance Manuals, and any other manuals.
52. **Marks**—The “GRISWOLD HOME CARE” name and such other trademarks, trade names, service marks, logos, insignia, trade dress, and designs now existing and which may be designated by GHC for use in the future.
53. **Minimum Royalty Requirement**—The minimum amount of Royalties payable to GHC under this Agreement as described in Section 4.3.1.
54. **Notice of Deficiency**—The Notice detailing deficiencies that GHC issues Franchisee in the event that a Franchisee fails to satisfactorily pass any Quality Review.
55. **Opening Date**—The date the Franchisee commences business operations, by conducting referral source marketing, Caregiver recruiting, and/or servicing Clients.
56. **Operations Manual**—Manual containing key information about the GHC System, including various required and recommended policies, procedures, rules, and guidelines promulgated from time to time by GHC, the federal government, and other obligations of the Franchisee under the Franchise Agreement, GHC’s System, and the operation of the Franchise.
57. **Principals**—A Franchisee’s shareholders, partners, or members with ownership interests in the Franchise.
58. **Quality Reviews**—The periodic reviews GHC conducts on the Franchisee’s operations, focusing on office procedures, records, and file contents, including interviews with staff, Clients, Care Recipients, and Caregivers. Quality Reviews may include the “monitored or recorded for quality assurance purposes” telephone calls to Clients or Care Recipients.
59. **Reasonable Discretion**—Franchisor’s “Reasonable Discretion” as used in this Agreement means the exercise of any discretion afforded by this Agreement in a manner consistent with the reasonable business judgment of GHC and the Guiding Principles in the recitals.
60. **Reasonable Discretion with Consultation**—Franchisor’s “Reasonable Discretion with Consultation” as used in this Agreement means to exercise any discretion afforded by this Agreement in a manner consistent with the reasonable business judgment of GHC, and to consult on a periodic basis with respect to the matters of mutual interest with any Franchisee Association.
61. **Regional/National Contracts**—Any national or regional contracts with third-party payer, large scale, or multi-territory referral contracts that afford GHC offices, among other things, an expanded referral network and Client base.

62. **Registry Business Model**—The Business Model utilized by GHC Businesses in which Franchisees identify and refer independent Caregivers to Clients to provide Caregiver Services.
63. **Royalty**—The percent of Gross Receipts or minimum amount(s) payable to GHC under this Agreement as described in Section 4.3.1.
64. **Services**—Caregiver Services and Franchisee Services.
65. **Software Fee**—The first year software fee and the continuing software fees payable by Franchisee to GHC as described in Attachment 3.
66. **Sole Discretion**—The term “sole discretion” with respect to any determination to be made by a party under this Agreement shall mean the sole and absolute discretion of such party, without regard to any standard of reasonableness or other standard by which the determination of such party might be challenged.
67. **State Compliance Manual**—Manual containing information relative to the state in which Franchisee operates, and GHC’s requirements for operation of a GHC Business operating under the Marks and the System in the state(s) in which Franchisee’s business is located.
68. **System**—GHC’s proprietary business system under which (1) Franchisees identify people in need of assistance and match them with Caregivers, who provide Caregiver Services to a Care Recipient and (2) provide consultation to Clients and/or Care Recipients on an ongoing basis consistent with the Business Model approved in the Franchisee’s Territory, and respecting applicable law.
69. **Termination**—The ending of this Agreement prior to the completion of its term, after which the Franchisee has no continued right to operate the Franchise.
70. **Territory**—The identified geographic area specified in Attachment 2 of this Franchise Agreement, within which Franchisee must operate the Franchise under the terms and conditions of this Agreement, and in which GHC agrees that it will not establish, or license any other person to establish, another Franchise authorized to provide Franchisee Services.
71. **Territory Name**—The name for Franchisee’s Territory as agreed upon at signing and designated in Attachment 2 of this Agreement.

72. **Transfer**—The sale, assignment, transfer, conveyance, pledge, merging, or giving away of more than 50% of any direct or indirect interest in this Agreement or in Franchisee, or in all or substantially all of the assets of the Franchise.
73. **Transfer Fee**—The fee payable to GHC by the Franchisee in connection with any Transfer.
74. **Unassigned Territory**—An area which is not assigned to any franchisee for the provision of Services.

**Attachment 2**

**Franchise Territory Description, Name & Map**

**(see attached map and description)**

**Attachment 3**

**Initial Fees, Discounts, Other Payments, and Principal's Ownership**

**Initial Franchise Fee:** \$ \_\_\_\_\_

**Discounts:**

**Local Lift-Off Program Fee** due to GHC at the signing of the franchise agreement in the amount of \$\_\_\_\_\_.

**Software Fees.** The first year of Software Fees is due to GHC two weeks prior to attending HomeCare Academy® in the amount of \$1,750.00. Thereafter commencing in the 13<sup>th</sup> month, Franchisee shall pay GHC or its designated vendor a monthly Software Fee. Currently, the Software Fee is \$8.00 per Care Recipient, per month.

**Principals.** The following is a complete list of all of the Principals of Franchisee and the percentage ownership interest of each individual:

<u>Name</u>	<u>Ownership Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Attachment 4**

**ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION**

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

ABA#: \_\_\_\_\_

Acct. No.: \_\_\_\_\_

Acct. Name: \_\_\_\_\_

Effective as of the date of the signature below, **FRANCHISEE** hereby authorizes Griswold International, LLC (“Company”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Company due under the Franchise Agreement: (1) all Royalty Fees; (2) all contributions to the General Marketing Fund or other advertising contribution; and (3) all other amounts due under the Franchise Agreement or any other agreement between Company and **FRANCHISEE**. Such withdrawals shall occur on a weekly basis, or on such other schedule as Company shall specify in writing. Company is also authorized to deposit funds into the above-referenced account, electronically or otherwise. This authorization shall remain in full force and effect until terminated in writing by Company. **FRANCHISEE** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

**AGREED:**

**ATTEST:**

**FRANCHISEE:**

\_\_\_\_\_

By:

\_\_\_\_\_

Print  
name:

\_\_\_\_\_

Its:

\_\_\_\_\_

## Attachment 5

### Confidentiality & Non-Competition Agreement

*(for shareholders, officers, directors,  
general partners, members, and managers of Franchisee)*

NOTE: FRANCHISEE NEEDS TO COPY THIS AGREEMENT FOR, AND HAVE IT COMPLETED AND EXECUTED BY, ITS SHAREHOLDERS, OFFICERS, DIRECTORS, GENERAL PARTNERS, MEMBERS, AND MANAGERS, AS APPLICABLE, BEFORE COMPLETING AND EXECUTING IT CONCURRENTLY WITH THE SIGNING OF THE FRANCHISE AGREEMENT.

In consideration of my being a shareholder, officer, director, general partner, member, or manager of the Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that: \_\_\_\_\_, doing business as (the “Franchisee”), has acquired the right and franchise from Griswold International, LLC (“GHC”) to establish and operate a *GRISWOLD HOME CARE*® franchise pursuant to the terms of a Franchise Agreement (the “Franchise Agreement”) with GHC and receives compensation and material and significant benefit, from its Franchise Agreement and relationship with GHC (“Franchisee Relationship”); and GHC has compiled, prepared and maintained, at significant cost and expense, confidential and proprietary non-public information (as further defined below, “Confidential Information”) including, without limitation, client information, caregiver rosters, systems, referrals and contacts, manuals, tactics, strategies, and material; and the Parties acknowledge obligations under applicable common, state, and federal privacy law including HIPAA; and GHC desires to make and continue to make available certain Confidential Information to Franchisee in the course of their continuing relationship, which information Franchisee acknowledges she/he would not otherwise have access for use.

1. **Confidential Information.** The term “Confidential Information” shall be deemed to include, without limitation, all confidential and proprietary information, whether oral or written, via computer disk or electronic media or otherwise, that is owned, licensed by, or relates to GHC or its business, and such Confidential Information shall be deemed to also include, without limitation, all trade secrets, know-how, and other intellectual property and proprietary rights; drawings, computer programs, secret inventions, processes, and compilations of information, records, and specifications; planning and strategic information; historical and projected financial information; profit and sales data; operating data; organization and product cost structures; strategic sales, marketing, business and management plans; customer discounts and rebate programs; customer and client information (including customer and client name, address, contact information, investment information and data, and financial information); and customer lists, supplier information, and supplier lists, business strategies, the Operations Manual (and all information contained in the Operations Manual); and any other non-public information that is owned, licensed by, or relates to GHC or its business.

2. **Nondisclosure.** As a shareholder, officer, director, general partner, member, or manager of the Franchisee, I understand and agree on behalf of myself and any spouse, children, parents, or siblings (each a “Family Member”) that all Confidential Information is non-public, confidential, and proprietary and has been prepared and maintained by GHC at significant cost and expense and that any breach of this Agreement will result in immediate and irreparable harm to GHC. Without the prior written approval of GHC, in no event shall I or any Family Member, directly or indirectly: (1) use the Confidential Information or (2) disclose, discuss, or disseminate the Confidential Information to any third-party person, firm, or entity. The provisions of this paragraph shall be binding during the term of my position with the Franchisee and shall survive and be binding from and after the term of my position with the Franchisee. I will give immediate written notice to GHC of any disclosure requirement by a court or government agency in order to allow GHC an opportunity to respond to such requirement. I further acknowledge and agree that client and customer Confidential Information is confidential to the respective client and customer and that any unauthorized use or disclosure of such client and customer Confidential Information would be a violation of GHC’s policies as well as applicable federal and state laws.

3. **Non-competition.** During the term of the Franchisee Relationship, and for a period of one (1) year from and after the date of termination of the Franchisee Relationship for any reason or my relationship with Franchisee, I shall not, for any reason whatsoever, either on my own account or for any person, firm, partnership, corporation, or other entity, directly or indirectly (including with or through any Family Member, affiliate, or third party) own, manage, operate, control, be employed by, perform services for, advise, or consult with or for, solicit business for, participate in or be connected with the ownership, management, operation, or control of, any business that sells products or services materially similar to or competitive with those products or services sold or provided by GHC, nor act as an owner, partner, franchisee, officer, employee, consultant, salesperson, representative, advisor, agent, or in any other capacity in any agency, registry, office, or other business supplying in whole or in part personal care, homemaking, and companionship services (i) within the Territory, or (ii) within twenty (20) miles of (a) boundary of the Territory being granted hereunder or (b) any other franchisee or company owned territory licensed or operated by GHC at the time of the termination of my position with Franchisee.

4. **Non-solicitation.** During the term of my position with Franchisee, and for a period of one (1) year from and after the date of termination of my position with Franchisee for any reason whatsoever, I shall not, either on my own account or for any person, firm, partnership, corporation, or other entity, directly or indirectly (including with or through any Family Member, affiliate, or third party) solicit, interfere with, induce, attempt to induce, or endeavor to cause any agent, vendor, client, care recipient, account, or referral source of Franchisee and/or GHC to leave his or her relationship with GHC nor to do business with any third party that is a competitor with GHC.

5. **Non-disparagement of GHC.** During the term of my position with Franchisee, and for a period of two (2) years from and after the date of termination of my position with Franchisee, for any reason whatsoever, I shall not in any public forum disparage or make negative statements (or induce or encourage others to disparage or make negative statements) about GHC or any of its past

or present franchisees, managers, employees, offices, directors, owners, agents, attorneys, representatives, successors, and assigns, including, without limitation, disparaging any of such parties in connection with the facts or circumstances surrounding any termination of the Parties' relationship, nor criticizing GHC's business strategies, materials, Marks, System, Services, or Confidential Information.

6. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws principles. The invalidity or unenforceability of any provision of this Agreement by a court of competent jurisdiction shall not affect the validity of the remainder of this Agreement, which shall at all times remain in full force and effect.

7. **Enforceability.** If any part or provision of this Confidentiality Agreement or its application to any party or circumstance is held by any rule of law, administrative order, judicial decision, or public policy to be invalid, illegal, or unenforceable to any degree or extent, the validity, legality, and enforceability of the rest and remainder of this agreement and the application of that provision or term to that party or other parties or to that or other circumstances is not affected or impaired in any way and is to be enforced to the maximum and fullest extent and degree permitted by the applicable law.

8. **Miscellaneous.**

a. GHC is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause GHC and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or GHC may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and GHC all the costs it/they incur(s), including, without limitation, attorney's fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and GHC, any claim I have against the Franchisee or GHC is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

b. This Agreement may be assigned by GHC to an entity affiliated with, or controlled directly or indirectly by, GHC and will be deemed valid and enforceable without the consent of Franchisee. No rights of Franchisee shall be assigned or assignable by voluntary or involuntary assignment.

*Signatures appear on the following page.*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year here below.

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

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

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

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

**ACKNOWLEDGED BY FRANCHISEE**

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

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

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

**EXHIBIT B-2**

**ADDENDUM TO FULL EMPLOYMENT FRANCHISE AGREEMENT FOR EXISTING  
FRANCHISEES**

**ADDENDUM**  
**TO GRISWOLD HOME CARE FULL EMPLOYMENT FRANCHISE AGREEMENT**  
**FOR EXISTING FRANCHISEES**

This Addendum (the “Addendum”) is made and entered into on the date on the signature page of this Addendum (the “Effective Date”), by and between Griswold International, LLC, a Delaware limited liability company (“Franchisor” or “GHC”), and the adult individual(s) named on the signature page of this Addendum (“Franchisee” or “you”).

**BACKGROUND**

- A. GHC is the national franchisor of businesses that identify, recruit, and place carefully screened, credentialed individuals who provide personal care, home-making, companion care, incidental transportation, and other ancillary, supportive services to care recipients, under the “Griswold Home Care” mark.
- B. GHC grants qualified persons the right to open, own and operate franchised businesses under the “Griswold Home Care” mark within a designated territory (each, a “GHC Business”) under one of two models: (1) the “Full Employment Business Model” in which Franchisees directly hire Caregivers to provide Caregiver Services to Care Recipients; or (2) the “Registry Business Model” in which Franchisees identify and refer Caregivers to Clients to provide Caregiver Services.
- C. Franchisee currently operates a GHC Business pursuant to a franchise agreement dated \_\_\_\_\_ (the “Prior Agreement”) with GHC, or one of its predecessors, in the territory referred to as \_\_\_\_\_ (the “Territory”).
- D. Franchisee has requested, and GHC has agreed to grant, Franchisee the right to continue operating its GHC Business under Full Employment Business Model for the remainder of its existing term, or if the Prior Agreement has expired, for a 5-year renewal term, by executing, on the Effective Date of this Addendum, GHC’s current form of Full Employment Business Model franchise agreement (the “Franchise Agreement”), as amended by the terms and conditions of this Addendum.
- E. Alternatively, Franchisee has requested, and GHC has agreed to grant, Franchisee the right to convert its Registry Business Model Franchise to a Full Employment Business Model Franchise and to operate such converted business for the remainder of its existing term, or if the Prior Agreement has expired, for a 5-year renewal term, by executing, on the Effective Date of this Addendum, GHC’s current form of Franchise Agreement, as amended by the terms and conditions of this Addendum.

NOW THEREFORE, in consideration of the mutual promises made herein and other good and valuable consideration the parties agree as follows:

- 1. **FEES.** Attachment 3 of the Franchise Agreement is deemed not applicable for this Franchise Agreement and is hereby deleted in its entirety and replaced with Exhibit A to this Addendum (Attachment 3).

2. INITIAL TERM. Section 2.1 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following.

*TERM.* The term of this Agreement shall expire on \_\_\_\_\_.

3. TRAINING. The first sentence of Section 3.1 of the Franchise Agreement is deemed not applicable for this Franchise Agreement and is hereby deleted in its entirety.
4. LOCAL LIFT-OFF PROGRAM. Sections 3.4 and 4.2 of the Franchise Agreement are deemed not applicable for this Franchise Agreement and are hereby deleted in their entirety.
5. INITIAL FRANCHISE FEE. Section 4.1 of the Franchise Agreement is deemed not applicable for this Franchise Agreement and is hereby deleted in its entirety.
6. ROYALTY. The fifth sentence of Section 4.3.1 of the Franchise Agreement is hereby deleted and replaced with the following:

In the event Franchisee or Franchisee's Principals is an existing GHC franchisee renewing a prior Franchise Agreement or converting a GHC Business from the Registry Business Model to the Full Employment Business Model, or the purchaser or transferee of an existing franchise, the Minimum Royalty Requirement hereunder shall become due and payable upon signing this Agreement and shall be the greater of four percent (4%) of Franchisee's Gross Receipts or \$750 per month.

7. ADDITIONAL TERRITORIES. Section 4.3.9 of the Franchise Agreement is deemed not applicable for this Franchise Agreement and is hereby deleted in its entirety.
8. SOFTWARE FEES. Section 4.4 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

*SOFTWARE FEES.* Upon execution of this agreement, Franchisee shall pay GHC or its designated vendor a monthly continuing software fee ("Software Fee") identified on Attachment 3 to this Agreement. The Software Fee and the designated software vendor shall be determined in GHC's Reasonable Discretion, and are subject to review by GHC's software selection committee.

9. OPENING OF THE FRANCHISED BUSINESS. Section 5 of the Franchise Agreement is deemed not applicable for the purposes of this Franchise Agreement and is hereby deleted in its entirety. GHC and Franchisee acknowledge and agree that there shall be no interruption in the operation of the Franchise between the expiration of the Prior Franchise Agreement and the execution of the Franchise Agreement.

10. CONDITIONAL ASSIGNMENT. Franchisee hereby represents and warrants that the telephone number and email address in the Prior Franchise Agreement remain in effect and the parties hereto agree the Conditional Assignment of Franchisee's Telephone Numbers in such agreement shall continue throughout the term hereof. If such phone number or email are no longer in effect, Section 6.2.18 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

Execute by the Effective Date of this Agreement the Conditional Assignment of Franchisee's Telephone Numbers, which permits the immediate transfer of all of the telephone numbers and email addresses utilized by Franchisee in the operation of its Franchise to GHC upon Expiration, Termination or Transfer of the Franchise.

11. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE. Section 6.4 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

GHC does not require Franchisee to participate personally in the direct day-to-day operation of the Franchise, provided that the Franchise must at all times be under the direct supervision of a manager who has satisfactorily completed the GHC initial training and devotes full time and effort to the management of the Franchise. Franchisee or Franchisee's manager shall also attend such refresher training as required by GHC under Section 3.1 hereof. Franchisee will be responsible for arranging and paying for the lodging, travel, meals, and other expenses incurred in connection with the initial and subsequent training. Such manager must also execute the Confidentiality, Non-Competition, and Non-Disclosure Agreement described above.

12. LIMITATIONS ON GRANT. Section 6.7 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

*LIMITATIONS ON GRANT.* The grant in Section 1 of this Agreement does not include (i) any right to establish an independent website or to create, register, or use a domain name incorporating the Marks or any variation thereof, except to the extent GHC has previously approved in writing, and except for a website previously approved in writing by GHC and used by Franchisee in connection with the Franchise' prior to the date of this Agreement; or (ii) any right to distribute, market, or implement GHC's products and services in any channel of distribution not specifically permitted by this Agreement.

13. GENERAL MARKETING FUND. Section 12.2.1 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

Commencing on the Effective Date, Franchisee shall pay GHC a monthly “General Marketing Fee” the greater of two hundred dollars (\$200) or one half of one percent (0.5%) of Gross Receipts to a general marketing fund (the “General Marketing Fund”); provided, however, that if Franchisee’s Principals operate another GHC Business under the Marks and System in the Territory, then Franchisee shall pay GHC for the General Marketing Fee the greater of one hundred dollars (\$100) or one half of one percent (0.5%) of Gross Receipts. In the event that Franchisee operates GHC Businesses in more than one territory under the Marks and System, Franchisee may aggregate the General Marketing Fees for all such GHC Businesses for the monthly period for purposes of determining the greater of two hundred dollars (\$200) or one half of one percent (0.5%) of Gross Receipts under each Franchise Agreement. In the event Franchisee is an existing GHC franchisee renewing a prior Franchise Agreement, or the purchaser or transferee of an existing franchise, the General Marketing Fees shall become payable upon signing this Agreement.

14. LOCAL MARKETING REQUIREMENT. Section 12.3 of the Franchise Agreement is hereby deleted in its entirety and is replaced with the following:

*LOCAL MARKETING REQUIREMENT.* In addition to the General Marketing Fee described above, Franchisee is required to spend a minimum of twelve thousand dollars (\$12,000) per year on local marketing, promotional and advertising activities (the “Local Marketing Requirement”). However, the Local Marketing Requirement will be reduced to six thousand dollars (\$6,000) per year, if (i) Franchisee hires a dedicated sales and marketing professional or (ii) if the Franchise is or will be jointly operated by two related adult Family Members. Except as provided in the preceding sentence, Franchisee cannot designate himself or herself (or, in the case of a corporate entity Franchisee, the principal owner of the Franchisee) as the sales and marketing professional for the purpose of reducing Franchisee’s annual Local Marketing Requirement.

Franchisee acknowledges and agrees that it must use only advertising and promotional materials developed or approved by GHC, in the manner authorized by GHC, and must cease using any materials upon instruction from GHC. Franchisee must participate in advertising, promotional, and/or branding initiatives upon instruction from GHC. GHC has the right to photograph, interview, or record Franchisee and Franchisee’s employees or agents and place(s) of business and to utilize such material as testimonials, videos, or photographs in the advertising, promotion and sale of the franchises and/or GHC’s products and services. Franchisee

agrees that GHC shall have the right to use and incorporate into the System any advertising and promotions created by Franchisee, and shall obtain all right, title and interest to such advertising and promotions without compensation to Franchisee. Franchisee agrees not to use public figures in Franchise promotional efforts or advertising without the prior express written approval of GHC. Franchisee agrees that Franchisee is responsible for knowing and complying with federal and local laws and regulations regarding its advertising and promotions.

15. FAILURE TO OPEN. Section 15.2.1 of the Franchise Agreement is deemed not applicable for this Franchise Agreement and is hereby deleted in its entirety.
16. DEFINITIONS. Attachment 1 of the Franchise Agreement, is amended as follows:
  - i. The term “Opening Date” and its definition are deemed not applicable for this Franchise Agreement.
  - ii. The term “Initial Franchise Fee” and its definition are deemed not applicable for this Franchise Agreement.
  - iii. The term “Local Lift-Off Program” and its definition are deemed not applicable for this Franchise Agreement.
  - iv. The term “Local Lift-Off Program Fee” and its definition are deemed not applicable for this Franchise Agreement.
  - v. The term “Software Fees” and its definition are deleted in their entirety and replaced with the following:

**Software Fees** – The continuing software fees payable by Franchisee to GHC as described in Attachment 3.

17. MUTUAL RELEASE. In consideration of GHC’s grant and your acceptance of a renewal term, and in consideration of the mutual promises contained herein, you, your affiliates, and your respective officers, directors, members, shareholders, employees and agents and their heirs, personal representatives, successors, assigns and all other persons acting on their behalf, hereby release GHC, its affiliates, and its respective officers, directors, shareholders, members, employees and agents and their heirs, personal representatives, successors, assigns and all other persons acting on their behalf, of and from any and all actions, causes of action, suits, claims, damages, expenses, debts, bills, covenant, contracts, controversies, agreements, promises, judgments or demands which you may have ever had, or now have; and GHC, its affiliates, and their respective officers, directors, shareholders, members, employees and agents and their heirs, personal representatives, successors, assigns and all other persons acting on their behalf,

herby release you, your affiliates, and your respective officers, directors, members, shareholders, employees and agents and their heirs, personal representatives, successors, assigns and all other persons acting on their behalf of and from any and all actions, causes of action, suits, claims, damages, expenses, debts, bills, covenant, contracts, controversies, agreements, promises, judgments or demands which GHC may have ever had, or now have. This release does not apply to any liability arising from the offer and sale of the Franchise Agreement, or any liability arising under the Franchise Agreement.

18. ENTIRE AGREEMENT. This Addendum has been negotiated by the parties and constitutes the entire agreement regarding the subject matter hereof and supersedes all prior oral and written agreements among the parties. To the extent that the terms of this Addendum conflict with the terms of the Franchise Agreement, this Addendum shall control. All other terms and conditions of the Franchise Agreement remain unchanged and in full force and effect. This Addendum may only be modified in a writing signed by all parties hereto.

[Signature Page Below]

**AGREEMENT**

**IN WITNESS WHEREOF**, intending to be legally bound hereby, the parties hereto have set their hands and seals as of the date below. The Effective Date for this Addendum shall be the date Franchisor executes this Addendum.

Witness: \_\_\_\_\_

FRANCHISEE:

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

\_\_\_\_\_

, Individually

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

Email: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

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

FRANCHISOR:

Witness: \_\_\_\_\_

Griswold International, LLC

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

BY: \_\_\_\_\_

120 West Germantown Pike, Suite 200  
Plymouth Meeting, Pennsylvania 19462  
(effective July 1, 2020: 510 Township Line Road,  
Suite 210, Blue Bell, Pennsylvania 19422)

T: 215-402-0200

F: 215-402-0202

Email: \_\_\_\_\_

**EXHIBIT A**  
**ATTACHMENT 3**  
**(See attached.)**

### Attachment 3

#### Initial Fees, Discounts, Other Payments, and Principal's Ownership

**Discounts:**

**Software Fees.** Franchisee shall pay GHC or its designated vendor a monthly Software Fee. Currently, the Software Fee is \$8 per Care Recipient, per month.

**Principals.** The following is a complete list of all of the Principals of Franchisee and the percentage interest of each individual:

Name

Ownership Interest

**EXHIBIT B-3**

**COLLATERAL ASSIGNMENT OF LEASE/CONSENT AND AGREEMENT OF LESSOR**

## **Collateral Assignment of Lease**

**FOR VALUE RECEIVED**, the undersigned (“Assignor”) hereby assigns and transfers to Griswold International, LLC, a Delaware limited liability company with an address at \_\_\_\_\_ (“Assignee”), all of Assignor’s right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the “Lease”) respecting premises commonly known as \_\_\_\_\_. This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the franchise agreement for a Franchise between Assignee and Assignor (the “Franchise Agreement”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement or this Agreement, Assignee has the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease. Assignor hereby authorizes the Lessor to disclose to Assignee, upon its request, sales and other information furnished to the Lessor by Assignor.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than one (1) year prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

*[Signatures on the following page.]*

**ASSIGNOR:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

SIGNED AND SEALED this \_\_  
day of \_\_\_\_\_, 20\_\_

Notary Public

**ASSIGNEE:**

Dated: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

SIGNED AND SEALED this \_\_  
day of \_\_\_\_\_, 20\_\_

Notary Public

**CONSENT AND AGREEMENT OF LESSOR**

The undersigned Lessor under the aforescribed Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee has the right, but must not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

(c) Consents to the foregoing Collateral Assignment and agrees that if Assignee takes possession of the premises demised by the Lease and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor must recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the defaults, if any, of Assignor under the Lease; and

(d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who must agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Lessor and upon such assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise.

DATED: \_\_\_\_\_

**LESSOR:**

\_\_\_\_\_  
  
\_\_\_\_\_

**EXHIBIT B-4**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBER**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBER**

1. \_\_\_\_\_, doing business at \_\_\_\_\_  
\_\_\_\_\_ (“Assignor”), in exchange for valuable consideration provided by Griswold International, LLC  
 (“Assignee”), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all  
 telephone numbers, listings and electronic email addresses utilized by Assignor in the operation of its  
 Franchise. Those numbers and addresses are as follows:

\_\_\_\_\_  
\_\_\_\_\_

2. The conditional agreement will become effective automatically upon the expiration, termination or  
 transfer of Assignor’s Franchise. Upon expiration, termination or transfer of the Franchise, Assignor must  
 do all things required by the telephone company and email service provider to assure the effectiveness of  
 the assignment of the telephone numbers and email addresses as if the Assignee had been originally issued  
 such telephones, telephone numbers, telephone listings, email addresses and the usage thereof.

3. Assignor agrees to pay the telephone company on or before the effective date of assignment all  
 amounts owed for the use of the telephone number(s) including, without limitation, Yellow Pages  
 advertising. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone  
 company to effectuate this agreement, and agrees to fully cooperate with the telephone company and  
 Assignee in effectuating this assignment.

ASSIGNOR:

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

TITLE: \_\_\_\_\_

ASSIGNEE:

GRISWOLD INTERNATIONAL, LLC Attest:

BY: \_\_\_\_\_

**EXHIBIT C**

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**Full Employment Model Operations Manual  
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**EXHIBIT D**

**STATE DISCLOSURE ADDENDA AND AGREEMENT AMENDMENTS**

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Franchise Disclosure Document for Griswold International, LLC in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. Our website, [www.GriswoldHomeCare.com](http://www.GriswoldHomeCare.com), has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of the website may be directed to the California Department of Business Oversight at [www.dbo.ca.gov](http://www.dbo.ca.gov).

2. 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 DISCLOSURE DOCUMENT.

3. Notwithstanding anything else in the Franchise Disclosure Document, this franchise may only provide non-medical care and services in the State of California.

4. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

6. YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).

7. Pursuant to the Home Care Services Consumer Protection Act, you may be required to comply with the Licensure and Certificate requirements of the Home Care Services Bureau (HCSB). The Act will apply to California agencies that provide home care services to consumers. Home care services as related to this Act include nonmedical services and assistance provided by a registered home care aide to a client who, perhaps because of advanced age or physical or mental disability cannot perform these services. These services enable the care recipient to remain in his or her residence and include, but are not limited to, assistance with the following: bathing, dressing, shopping, feeding, exercising, and personal hygiene and grooming. For further information about the Home Care Services Consumer Protection Act, please visit the following website: [http://cclld.ca.gov/res/pdf/HCSB/WrittenDirectives\\_VersionFour.pdf](http://cclld.ca.gov/res/pdf/HCSB/WrittenDirectives_VersionFour.pdf).

8. In Item 3, "Litigation," shall be amended by the addition of the following paragraphs:

Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.

Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

9. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraph(s) at the conclusion of the Item:

The following notice is required to be inserted in this Disclosure Document by the state of California whenever an applicable provision is included in a Franchise Agreement. We reserve the right to attempt to enforce all of the provisions listed below in which we indicate that “this provision may not be enforceable under California law.”

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal 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. § 101, et seq.).

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

The Franchise Agreement requires the parties to resolve their disputes through non-binding mediation and, if necessary, arbitration. The mediation and litigation will occur in Pennsylvania, and you must reimburse us our costs if we prevail in any arbitration proceeding. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of the Commonwealth of Pennsylvania. This provision may not be enforceable under California law.

10. Each provision of this Addendum to the Disclosure Document is effective only to the extent (with respect to each provision) that the California Franchise Investment Law, Cal. Corp. Code §§ 31000 - 31516, and the California Franchise Relations Act, Cal Bus. & Prof. Code §§ 2000 – 20043, would apply to your franchise, without reference to this Addendum.

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF ILLINOIS**

**The Disclosure Document is amended consistent with the following:**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation of 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

**AMENDMENT TO GRISWOLD INTERNATIONAL, LLC'S FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF ILLINOIS**

To comply with the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44, the "Act"), the parties to the attached Griswold International, LLC Franchise Agreement (the "Agreement") agree as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation of 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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**AMENDMENT TO AMENDMENT TO GRISWOLD INTERNATIONAL, LLC'S  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF INDIANA**

This Amendment shall pertain to franchises sold in the State of Indiana and shall be for the purpose of complying with Indiana statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement, to the contrary, the Agreements shall be amended as follows:

1. Section 1.1 of the Franchise Agreement entitled "Grant of Franchise & License to Marks" is supplemented by the following provision:

Ind. Code §§ 23-2-2.7-1(2) and 23-2-2.7-2 (6) prohibit any provision in a franchise agreement allowing a franchisor to establish, and prohibit a franchisor from establishing a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the Territory granted the franchisee by the Franchise Agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.

2. Section 13.2, 14.3.4, 14.4.2 and 14.9.6 of the Franchise Agreement are supplemented by the following provision:

To the extent you are required to execute a release in favor of Griswold International, LLC, such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1 (5).

3. Ind. Code § 23-2-2.7-1(10) prohibits any provision in the Franchise Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Franchise Agreement conflicts with Indiana Code § 23-2-2.7-1 (10), Indiana law will control.

4. Section 13.2 of the Franchise Agreement entitled "Indemnification" is supplemented by the following provision:

; provided, however, such indemnification obligations shall exclude liability caused by your proper reliance on or use of procedures or materials provided by Griswold International, LLC or caused by Griswold International, LLC's negligence.

5. Sections 17 of the Franchise Agreement, regarding covenants of non-competition is supplemented by the following provision:

Notwithstanding the above, the covenant not to compete is limited to your Territory under this Agreement.

6. Sections 14.7 and 14.8 of the Franchise Agreement, regarding death or disability of franchisee are supplemented by the following provision:

Ind. Code § 23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise.

Further, the term “6 months” shall replace any shorter term in the respective provisions of these agreements.

5. Section 21.8 of the Franchise Agreement entitled “Choice of Law” is supplemented by the following provision:

However, the foregoing choice of law should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, this Agreement shall be governed by the Indiana Franchise Disclosure Law Ind. Code § 23-2-2.5 and the Indiana Deceptive Franchise Practices Law Ind. Code § 23-2-2.7.

8. Section 19 of the Franchise Agreement entitled “Dispute Resolution” is supplemented by the following provision:

Indiana franchisees are allowed access to Indiana courts. Any provision which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.



**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF INDIANA**

For franchisers and franchisees subject to the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Griswold International, LLC Franchise Disclosure Document (“FDD”)

Item 8. Item 8 of the FDD is amended to include the following disclosure:

The Indiana Deceptive Franchise Practices Law, Ind. Code §23-2-2.7-1(4) prohibits provisions in a franchise agreement subject to the Law which allow the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee/developer/representative does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any provision of the Franchise Agreement conflicts with Indiana Law, Indiana Law will control.

The Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-2(6) makes it unlawful for any franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee/developer/representative does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee. To the extent that any of Griswold International, LLC’s business practices conflict with Indiana Law, Indiana Law will control.

Item 12. Item 12 of the FDD is amended to include the following disclosure:

Ind. Code § 23-2-2.7-1(2) prohibits any provision in the Agreement which allows Griswold International, LLC to establish a franchisor-owned outlet engaged in a substantially identical business to that of the Franchise within the Territory. Ind. Code § 23-2-2.7-2(4) prohibits any franchisor who has entered into any franchise agreement with a franchisee/developer/representative who is either a resident of Indiana or a nonresident operating a franchise in Indiana from establishing a franchisor-owned outlet engaged in a substantially identical business to that of the Franchise within the Territory. To the extent that any provision of the Agreement or Griswold International, LLC’s business practices conflict with Indiana law, Indiana law will control.

Item 17. Item 17 of the FDD is amended to include the following disclosure:

To the extent you are required to execute a release in favor of Griswold International, LLC, such release shall exclude liabilities arising under the Indiana Deceptive Franchise Practices Law, Ind. Code § 23-2-2.7-1.

Ind. Code §23-2-2.7-2(3) makes it unlawful for a franchisor to deny the surviving spouse, heirs, or estate of a deceased franchisee/developer/representative the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs or estate maintains all standards and obligations of the franchise. To the extent that the Franchise Agreement requires a surviving spouse, heirs or an estate representative to assume liability under the Franchise Agreement and to complete training, the Franchise Agreement has been amended in accordance with Indiana Law to provide that all such conditions must be met within 6 months of the franchisee's date of death.

Ind. Code §23-2-2.7-1(10) prohibits any provision in the Agreement which limits litigation brought for breach of the Agreement in any manner whatsoever. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.

The choice of law provision contained in the Franchise Agreement should not be considered a waiver of any right conferred upon you by the provisions of the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Law with respect to the offer and sale of a franchise and the franchise relationship. Notwithstanding anything in this Agreement to the contrary, the Franchise Agreement shall be governed by the Indiana Franchise Disclosure Law IC § 23-2-2.5 and the Indiana Deceptive Franchise Practices Law IC § 23-2-2.7, under Ind. Code §23-2-2.7.

Indiana franchisees are allowed access to Indiana courts. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of Indiana with respect to any matter governed by the Indiana Deceptive Franchise Practices Law and Indiana Franchise Disclosure Law is void.

The post term covenant not to compete is limited to your Territory under the Franchise Agreement pursuant to Ind. Code §23-2-2.7-1(9).

**GRISWOLD INTERNATIONAL, LLC'S  
AMENDMENT TO FRANCHISE AGREEMENT AND  
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
CONTAINING ADDITIONAL INFORMATION  
REQUIRED BY THE STATE OF MARYLAND**

**GRISWOLD INTERNATIONAL, LLC'S  
FRANCHISE DISCLOSURE DOCUMENT ("FDD")  
CONTAINS INFORMATION REQUIRED BY BOTH  
THE FEDERAL TRADE COMMISSION AND THE STATE OF MARYLAND.  
THIS ADDENDUM TO THE FDD CONTAINS INFORMATION  
REQUIRED EXCLUSIVELY BY THE STATE OF MARYLAND  
AND IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FDD.**

**\* \* \***

**THE INFORMATION CONTAINED HEREIN MUST BE  
REVIEWED IN CONJUNCTION WITH THE FDD**

**AMENDMENT TO GRISWOLD INTERNATIONAL, LLC'S FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Griswold International, LLC Franchise Agreement, agree as follows:

1. Section 4.1 shall be supplemented as follows:

The Maryland Securities Commissioner requires GHC to defer payment of the initial franchise fee and other initial payments owed by Franchisee until GHC has completed its pre-opening obligations under the Franchise Agreement.

2. Sections 13.2, 14.3.4, 14.4.2 and 14.9.6 of the Franchise Agreement shall be supplemented by the addition of the following language to the end of those respective Sections:

; pursuant to Code of Maryland Regulations section 02.02.08.16L, any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The sections of this Agreement which contradict this Code provision are amended accordingly.

3. Section 19 of the Franchise Agreement shall be supplemented as follows:

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. Section 19.2 of the Franchise Agreement shall be supplemented as follows:

; provided, however, that franchisee may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law, which is not first subject to mediation under this agreement, in any court of competent jurisdiction in the State of Maryland.

5. The Franchise Agreement shall be supplemented by the addition of the following sub-section:

All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.



**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisee subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Griswold International, LLC Franchise Disclosure Document:

Item 5.

The Maryland Securities Commissioner requires GHC to defer payment of the initial franchise fee and other initial payments owed by you until GHC has completed its pre-opening obligations under the Franchise Agreement.

Item 17.

The Franchise Agreement provides that Griswold International, LLC may terminate the agreement if you voluntarily or involuntarily file for bankruptcy, as described in the “Summary of Cause Defined” (provision (h.)). This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Any general release signed as a condition to renewal, sale, assignment, or transfer of these agreements shall not release Franchisor from any liability imposed by the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Section 14-227 of the Maryland Franchise Registration and Disclosure Law provides that any action brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.



## **Michigan Disclosure**

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 A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE 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 FRANCHISEE 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 SERVICES.

\* \* \* \*

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

\* \* \* \*

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE 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 NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

**DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE  
CONSUMER PROTECTION DIVISION  
ATTN: FRANCHISE  
525 W. OTTAWA STREET  
G. MENNEN WILLIAMS BUILDING, 1ST FLOOR  
LANSING, MI 48933**

NOTE: NOTWITHSTANDING PARAGRAPH (F) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS. WE BELIEVE THAT PARAGRAPH (F) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS.

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated there under by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for Griswold International, LLC for use in the State of Minnesota shall be amended to include the following:

1. The following paragraph is added to the end of Item 13 (“Trademarks”):

Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights which you have to use our proprietary marks.

2. The following paragraphs are added to the end of Item 17 (“Renewal, Termination, Transfer and Dispute Resolution”):

With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated there under by the Commissioner of Commerce.

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) 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 the laws of the jurisdiction.

3. Each provision of this Addendum to the Disclosure Document is effective only to the extent (with respect to each provision) that the Minnesota Franchises Law, or the Rules and Regulations promulgated there under by the Minnesota Commission of Commerce, would apply to your franchise, without reference to this Addendum.

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated there under by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Griswold International, LLC Franchise Agreement (the “Agreement”) agree as follows:

1. The following Section 8.6 is added to the end of Section 8, under the heading “Marks”:

8.6 Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), GHC is required to protect any rights Franchisee may have to GHC’s Marks.

2. Section 14.3.4 of the Agreement, under the heading “Transfer and Assignment,” shall be deleted in its entirety and shall have no force or effect, and the following paragraph shall be inserted in lieu thereof:

Franchisee and all its Principals have executed a general release in favor of GHC, and in a form approved by GHC, as well as a standard form Confidentiality & Non-Competition Agreement, excluding only such claims as Franchisee may have that have arisen under the Minnesota Franchises Law and the Rules and Regulations promulgated there under by the Minnesota Commissioner of Commerce.

3. Section 14 of the Agreement, under the heading “Transfer and Assignment,” shall be supplemented by the addition of the following Section:

*MINNESOTA TRANSFER RIGHTS.* Minnesota law provides franchisees with certain transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 5) currently requires that consent to the transfer of the Franchise may not be unreasonably withheld.

4. Section 2 of the Agreement, under the heading “Term & Renewals,” shall be supplemented by the addition of the following:

*MINNESOTA RENEWAL RIGHTS.* Minnesota law provides franchisees with certain non-renewal rights. In sum, Minn. Stat. § 80C.14 (subd. 4) currently requires, except in certain specified cases, that a franchisee be given 180 days’ notice of non-renewal of the Franchise Agreement.

5. Section 15 of the Agreement, under the heading “Default and Termination” shall be supplemented by the following new Section

*MINNESOTA TERMINATION RIGHTS.* Minnesota law provides franchisees with certain termination rights. In sum, Minn. Stat. § 80C.14 (subd. 3) currently requires, except in certain specified cases, that a franchisee be given 90 days’ notice of termination

6. Notwithstanding any other provision of this Agreement, Minn. Stat. § 80C.21 and Minn. Rule 2860.4400(J) prohibit GHC from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate



**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC'S  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF NEW YORK**

In recognition of the requirements of the New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the Franchise Disclosure Document for Griswold International, LLC for use in the State of New York shall be amended as follows:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NY 10005, 212-416-8236. 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. The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party 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.

B. No such party has 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.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-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, antifraud or securities law; fraud; embezzlement; fraudulent

conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive 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; or 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. The following is added to the end of Item 4:

Neither the Franchisor, its affiliate, its predecessor, officers or general partner during the 10-year period immediately before the date of the offering circular: (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 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for Franchisee to renew or extend,” and Item 17(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.

6. The following language replaces the “Summary” section of Item 17(d), titled “Termination by Franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by Franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of Forum”, and Item 17(w), titled “Choice of Law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Addendum to the Disclosure Document.

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC'S  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF NORTH DAKOTA**

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR,  
UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NORTH DAKOTA CENTURY  
CODE (NDCC) SECTION 51-19-09):

- A. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
- C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
- H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
- I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, the Franchise Disclosure Document of Griswold International, LLC for use in the State of North Dakota shall be amended to include the following:

1. Item 17 (r) shall be supplemented by the addition of the following language:

All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

2. Item 17 (u) shall be deleted and replaced with the following language:

Most disputes and claims relating to the Franchise Agreement will be settled by arbitration under the rules of the American Arbitration Association at a location agreeable to all parties.

3. The language in Item 17(v) shall be deleted and replaced by the following language:

All litigation must be brought in North Dakota.

4. The language in Item 17(w) shall be deleted and replaced by the following language:

All disputes will be governed by the laws of the State of North Dakota.

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC'S  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF NORTH DAKOTA**

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, the parties to the attached Griswold International, LLC Full Employment Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 17.2 of the Franchise Agreement:

All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

2. Notwithstanding anything contained in Section 19 of the Franchise Agreement, any mediation and arbitration must take place in such other location as may be mutually agreed upon by the parties, and may not be remote from your Territory.

3. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, Section 19.4.3 of the Franchise Agreement is hereby deleted.

4. The North Dakota Securities Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, Section 21. 8 of the Franchise Agreement is hereby deleted.

5. Section 19.4.2 is hereby deleted from the Franchise Agreement.

6. Section 19.4.6 is hereby deleted from the Franchise Agreement.

7. Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Amendment.

8. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.



**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF WASHINGTON**

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the Franchise Disclosure Document for Griswold International, LLC in connection with the offer and sale of franchises for use in the State of Washington shall be amended as follows:

1. The following language is added to the end of Item 5 (“Initial Fees”):

The Washington State Department of Financial Institutions Securities Division requires GHC to defer receipt of all initial fees until GHC has fulfilled its pre-opening obligations under the Franchise Agreement and the franchisee is open for business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
4. 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.
5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. 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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. 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.

Each provision of this Addendum to the Disclosure Document is effective only to the extent (with respect to each provision) that the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, would apply to your franchise, without reference to this Addendum.

**ADDENDUM TO GRISWOLD INTERNATIONAL, LLC  
FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF WASHINGTON**

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached Griswold International, LLC Franchise Agreement agree as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. 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. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. 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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. 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.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

FRANCHISEE: \_\_\_\_\_, Individually

BY: \_\_\_\_\_, President

FRANCHISOR:

Griswold International, LLC

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

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

120 West Germantown Pike, Suite 200

Plymouth Meeting, PA 19462

(effective July 1, 2020: 510 Township Line Road, Suite 210

Blue Bell, PA 19422)

T: 215-402-0200

F: 215-402-0202

**EXHIBIT E**  
**List of Full Employment Model Franchisees**  
**As of December 31, 2019**

<u>Territory Name</u>	<u>Model</u>	<u>Year Converted</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>ARIZONA</b>								
Gilbert - Chandler	FE	n/a	Allison & Scott Savel	1820 East Ray Rd., Suite B-201	Chandler	AZ	85225	480-347-9752
Glendale	FE	n/a	Allison & Scott Savel	6731 W McRae Way	Glendale	AZ	85308	480-376-7464
North Central Phoenix	FE	2015	Allison & Scott Savel	15255 N 40th St. #115	Phoenix	AZ	85032	480-646-3979
Scottsdale	FE	2015	Allison & Scott Savel	7950 E. Acoma Dr. #203	Scottsdale	AZ	85260	480-275-7200
<b>COLORADO</b>								
Boulder	FE	2016	Jim & Teresa Middleton	9769 West 119th Drive, Suite 30	Broomfield	CO	80021	303-848-8703
Westminster-Broomfield	FE	2016	Jim & Teresa Middleton	9769 West 119th Drive, Suite 30	Broomfield	CO	80021	303-848-8703
South Denver	FE	2016	Jennifer Palmer	7200 E. Dry Creek Rd, Suite G-208	Centennial	CO	80112	303-500-3336
West Denver	FE	2016	Jennifer Palmer	7200 E. Dry Creek Rd, Suite G-208	Centennial	CO	80112	303-500-3336
Colorado Springs	FE	2016	Mark & Anne Seglem	14960 Woodcarver Road, Suite 122	Colorado Springs	CO	80921	719-418-5908
Douglas County	FE	2016	Mark & Anne Seglem	14960 Woodcarver Road, Suite 122	Colorado Springs	CO	80921	719-418-5908
Arvada-Golden	FE	2016	Eric Roberts	4485 Wadsworth Blvd, Suite 102	Wheat Ridge	CO	80033	303-536-6410
Central Denver	FE	2016	Eric Roberts	4485 Wadsworth Blvd, Suite 102	Wheat Ridge	CO	80033	303-536-6410
<b>CONNECTICUT</b>								
Cheshire	FE	2016	Lesley Mills	21 Maple Street	Naugatuck	CT	06770	203-759-1454
New Haven	FE	2016	Lesley Mills	116 Sherman Avenue	New Haven	CT	06511	203-776-2273
New London - Middlesex	FE	2016	Lesley Mills	116 Sherman Avenue	New Haven	CT	06511	860-440-3923
E. Hartford	FE	2016	Lesley Mills	1100 New Britain Ave	West Hartford	CT	06110	860-553-0545
W. Hartford	FE	2016	Lesley Mills	1100 New Britain Ave	West Hartford	CT	06107	860-523-0545
<b>DELAWARE</b>								
Kent County*	FE	2016	Beth Copeland	18335 Coastal Highway, Suite 200A	Lewes	DE	19958	302-703-0130
Sussex*	FE	2016	Beth Copeland	18335 Coastal Highway, Suite 200A	Lewes	DE	19958	302-703-0130
New Castle County*	FE	2016	Anne Eidschun	5145 West Woodmill Drive, Suite 22	Newark	DE	19808	302-416-6758

<u>Territory Name</u>	<u>Model</u>	<u>Year Converted</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>GEORGIA</b>								
NE Georgia Coast	FE	2016	Mike Falvo	6605 Abercorn Street, Suite 107 A	Savannah	GA	31406	912-349-5264
Lanier	FE	2015	Brad Culp	5400 Laurel Springs Pkwy, Suite 501	Suwanee	GA	30024	770-888-3979
Atlanta NE	FE	2015	Brad & Leasa Culp	1926 Northlake Pkwy, Suite 110	Tucker	GA	30084	770-908-0707
Atlanta NW	FE	2015	Brad Culp	1926 Northlake Pkwy, Suite 110	Tucker	GA	30084	770-908-0707
<b>KANSAS</b>								
Olathe	FE	2016	Brian & Maryann Rooney	3861 W. 95th Street	Overland Park	KS	66206	913-325-4770
Overland Park	FE	2016	Brian & Maryann Rooney	3861 W. 95th Street	Overland Park	KS	66206	913-325-4770
<b>MARYLAND</b>								
Chevy Chase	FE	n/a	Mary Anne Murray	6900 Wisconsin Ave., #5912	Bethesda	MD	20824	301-234-6440
Aspen Hill-Wheaton	FE	2016	Mirza Donegan	14301 Layhill Road, #205	Silver Spring	MD	20906	301-330-7646
Montgomery County North	FE	2016	Mirza Donegan	14301 Layhill Road, #205	Silver Spring	MD	20906	301-330-7646
Prince George CO.	FE	2016	Naomi Turner	5211 Auth Road, Suite 200	Suitland	MD	20746	301-899-3200
<b>MASSACHUSETTS</b>								
Lawrence-Andover	FE	2012	Lee Jacobson	300 Brickstone Sq., Suite 201	Andover	MA	01810	978-475-0820
Northeast MA	FE	2012	Lee Jacobson	300 Brickstone Sq., Suite 201	Andover	MA	01810	978-475-0820
Worcester	FE	2012	Gerald and Jane Rabinovitz	490 Shrewsbury St., Suite G	Worcester	MA	01604	508-797-0400
<b>MICHIGAN</b>								
Ann Arbor	FE	2016	John McKelvey	2531 Jackson Ave, Suite 141	Ann Arbor	MI	48103	734-645-4730
Bloomfield-West Bloomfield	FE	2016	John McKelvey	2531 Jackson Ave, Suite 141	Ann Arbor	MI	48103	734-645-4730
Metro Detroit NW	FE	2015	Mary Jane Gorman	17278 Farmington Road	Livonia	MI	48152	734-421-8070
Troy-Macomb	FE	2016	Sharlene Nova and Lauren Miller	8344 Hall Rd. Suite 114	Utica	MI	48317	586-254-0672
<b>MINNESOTA</b>								
Moorhead	FE	2016	Josh & Morgan Gilleland	819 30th Ave S., Suite 102	Moorhead	MN	56560	701-850-2000
<b>NEW JERSEY</b>								
Lower Bergen Co.**	FE	2019	Cecilia Greene	4 Banta Place, Suite 5	Hackensack	NJ	07601	201-485-3735
Upper Bergen Co.**	FE	2019	Cecilia Greene	4 Banta Place, Suite 5	Hackensack	NJ	07601	201-485-3735
Essex Co.	FE	2015	Cecilia Greene	111 South Orange Avenue Suite 21	South Orange	NJ	07079	973-378-3000

<u>Territory Name</u>	<u>Model</u>	<u>Year Converted</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>NORTH CAROLINA</b>								
Burlington	FE	2015	Bruce McReynolds	1400 Battleground Ave Suite 150-C	Greensboro	NC	27408	336-285-7477
Greensboro	FE	2015	Bruce McReynolds	1400 Battleground Ave Suite 150-C	Greensboro	NC	27408	336-285-7477
Eastern Raleigh	FE	2016	Mark Moore	5711 Six Forks Road, Suite 310	Raleigh	NC	27609	919-435-0823
North Raleigh	FE	2016	Mark Moore	5711 Six Forks Road, Suite 310	Raleigh	NC	27609	919-435-0823
South Raleigh	FE	2016	Mark Moore	5711 Six Forks Road, Suite 310	Raleigh	NC	27609	919-435-0823
Wilmington	FE	2016	Mike & Dorothy Griffin	4016 Shipyard Blvd. Suite A	Wilmington	NC	28403	910-515-1378
Winston-Salem	FE	2015	Norm & Patricia Potter	1320 Ashley Square	Winston-Salem	NC	27103	336-462-8472
<b>OHIO</b>								
Medina-Wayne-W Stark	FE	2016	Renato Maiorana	1002 Pearl Road Suite A	Brunswick	OH	44212	330-220-9700
Cincinnati East	FE	2016	Chuck Davis	8044 Montgomery Road, Suite 700	Cincinnati	OH	45236	513-275-1919
E. Cuyahoga	FE	2016	Scott Kaase	P.O. Box 24357	Mayfield	OH	44143	440-684-2700
Lake-Geauga	FE	2016	Brian & Cheryl Rice	1656 Mentor Ave.	Painesville	OH	44077	440-358-1600
Cincinnati - Tri County	FE	2016	Matt Barth	7150 Office Park Drive	West Chester	OH	45069	513-777-7550
<b>OKLAHOMA</b>								
Jenks	FE	2016	Tommy & Dominique Oliver	1843 E 15th Street	Tulsa	OK	74104	918-550-8033
Sand Springs	FE	2016	Tommy & Dominique Oliver	1843 E 15th Street	Tulsa	OK	74104	918-550-8033
<b>PENNSYLVANIA</b>								
Cumberland Co.	FE	2016	David Rosen	1926 Market Street	Camp Hill	PA	17011	717-975-0540
Blair Co.	FE	2016	David Rosen	1718 Plank Road	Duncansville	PA	18635	814-696-9100
Pocono Mountains	FE	2016	Vivian Vance	78 South Courtland Street, Suite. 3	East Stroudsburg	PA	18301	570-424-7678
Dauphin Co.	FE	2016	Stephanie Carl	4815 Jonestown Road, Suite 201	Harrisburg	PA	17109	717-234-4009
Berks Co.	FE	2016	Gary Hawkins	947 Penn Avenue	Wyomissing	PA	19610	610-372-9940
<b>SOUTH CAROLINA</b>								
Greenville	FE	2016	Tammy Fairchild-Varty & Jacque Varty	405 S. Pine St.	Spartanburg	SC	29302	864-990-0329
Spartanburg	FE	2016	Tammy Fairchild-Varty & Jacque Varty	405 S. Pine St.	Spartanburg	SC	29302	864-990-0329

<u>Territory Name</u>	<u>Model</u>	<u>Year Converted</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>TENNESSEE</b>								
Nashville-South	FE	2016	Tim & Beth Walrich	2000 Mallory Lane, Suite 130-126	Franklin	TN	37067	615-591-1245
Nashville-North	FE	2016	Tim & Beth Walrich	170-D East Main Street, Suite 185	Hendersonville	TN	37075	615-451-2273
<b>TEXAS</b>								
Friendswood-La Porte	FE	2015	Brenda & Mark Gross	1110 NASA Parkway, Suite 100	Houston	TX	77058	713-568-4488
Galveston- League City	FE	2015	Brenda & Mark Gross	1110 NASA Parkway, Suite 100	Houston	TX	77058	713-568-4488
Greater South Houston	FE	2016	Jim Vonderhaar	10998 S. Wilcrest Dr. Suite 297	Houston	TX	77099	281-250-9993
Southwest Houston	FE	2016	Jim Vonderhaar	10998 S. Wilcrest Dr. Suite 297	Houston	TX	77099	281-978-4244
Mansfield-Waxahachie*	FE	2015	Mike & Lori Gibson	900 N. Walnut Creek Drive, Suite 100	Mansfield	TX	76063	972-437-8700
Dallas - North	FE	2016	Marshall & Kacy Oden	6841 Virginia Parkway, Suite 103-168	McKinney	TX	75071	469-301-2227
Garland	FE	2016	Marshall & Kacy Oden	5435 North Garland Ave., Suite #140-512	McKinney	TX	75040	469-301-2227
Rockwall & Rowlett	FE	2016	Marshall & Kacy Oden	5435 North Garland Ave., Suite #140-512	McKinney	TX	75040	469-301-2227
Mesquite	FE	2016	Mike & Lori Gibson	3330 North Galloway Ave, Suite 304-119	Mesquite	TX	75150	972-850-9945
Carrollton-Richardson	FE	2019	Doug DeCoursin	3308 Preston Road, Suite 350-200	Plano	TX	75093	469-277-3541
McKinney-Frisco	FE	2019	Doug DeCoursin	3308 Preston Road, Suite 350-200	Plano	TX	75093	469-277-3541
Plano	FE	2019	Doug DeCoursin	3308 Preston Road, Suite 350-200	Plano	TX	75093	469-277-3541
San Antonio NE	FE	2016	George & Laura McGuire	1380 Pantheon Way, Suite 390	San Antonio	TX	78232	210-967-1200
San Antonio NW	FE	2016	George & Laura McGuire	1380 Pantheon Way, Suite 390	San Antonio	TX	78232	210-967-1200
North Fort Worth	FE	2016	Jeff Ding & Fei Xie	2600 East Southlake Blvd, Suite 120-228	Southlake	TX	76092	817-428-2888
South Lake	FE	2016	Jeff Ding & Fei Xie	2600 East Southlake Blvd, Suite 120-228	Southlake	TX	76092	817-428-2888
<b>VERMONT</b>								
Northern Vermont	FE	2016	David & Terri Rosen	237 Commerce St. Suite 140	Williston	VT	05495	802-862-7200

<u>Territory Name</u>	<u>Model</u>	<u>Year Converted</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>VIRGINIA</b>								
Alexandria	FE	2016	Christine Friedberg	700 Princess Street, Suite 202	Alexandria	VA	22314	703-739-2273
Arlington	FE	2016	Christine Friedberg	700 Princess Street, Suite 202	Alexandria	VA	22314	703-739-2273
Fairfax	FE	2016	Christine Friedberg	700 Princess Street, Suite 202	Alexandria	VA	22314	703-739-2273
McLean/Tyson	FE	2016	Christine Friedberg	700 Princess Street, Suite 202	Alexandria	VA	22314	703-739-2273
Dulles-Herndon	FE	2016	Karen Vassar	5723- A Centre Square Drive	Centreville	VA	20120	703-570-6812
Leesburg/Manassas	FE	2016	Karen Vassar	5723- A Centre Square Drive	Centreville	VA	20120	703-570-6812
Woodbridge/Dale City	FE	2016	Karen Vassar	5723- A Centre Square Drive	Centreville	VA	20120	703-570-6812

\* This outlet was transferred from the prior franchisee to the listed franchisee in 2019.

\*\* This outlet was transferred from the prior franchisee to the listed franchisee, and converted from Registry Model to Full Employment Model, in 2019.

**Former Full Employment Model Franchisees  
That Left the System in 2019\***

<u>Franchisee Name</u>	<u>Territory Name(s)</u>	<u>City</u>	<u>State</u>	<u>Telephone</u>	<u>Reason for leaving the System</u>
Maryanne Murray	New Castle County, Sussex County, Kent County (3)	Newark	DE	302-456-9904	Transfer
James Askew	Austin-North, Austin-South (2)	Austin	TX	512-462-1398	Termination
Brianna Stovall	Mansfield-Waxahachie (1)	Mansfield	TX	972-437-8700	Transfer

\* This list includes all those franchisees who ceased to do business under the franchise agreement or had an outlet terminated, cancelled, not renewed within the last fiscal year, or who have not communicated with GHC within 10 weeks of the issuance date of this Disclosure Document.

**List of Dual Model Franchisees  
As of December 31, 2019**

<u>Territory Name</u>	<u>Model</u>	<u>Year Converted</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>CONNECTICUT</b>								
Stratford	DUAL	2016	Cathy Howard	1122 Broadbridge Ave	Stratford	CT	06615	203-380-2700
<b>MASSACHUSETTS</b>								
Berkshire and Franklin Co.	DUAL	2012	Kirby Detmers	360 Sewall Street	Ludlow	MA	01056	413-517-0074
Springfield	DUAL	2012	Kirby Detmers	360 Sewall Street	Ludlow	MA	01056	413-385-0012
Metrowest Boston	DUAL	2012	Gerald and Jane Rabinovitz	124 Crescent Road	Needham	MA	02494	781-449-0402
Northampton	DUAL	2012	Kirby Detmers	16 Center Street, Suite 209	Northampton	MA	01060	413-517-0074

**List of Registry Franchisees  
As of December 31, 2019**

<b>Territory Name</b>	<b>Franchisee</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Tel</b>
<b>CALIFORNIA</b>						
Pasadena	Richard Shoop	P.O. Box 92307	Pasadena	CA	91109	626-296-1952
<b>FLORIDA</b>						
Cape Coral	Joe Bachich	10911 Bonita Beach Road SE, Suite 1021	Bonita Springs	FL	34135	239-676-6440
Collier County	Joe Bachich	10911 Bonita Beach Road SE, Suite 1021	Bonita Springs	FL	34135	239-676-6440
Fort Myers	Joe Bachich	10911 Bonita Beach Road SE, Suite 1021	Bonita Springs	FL	34135	239-676-6440
Broward Co.	Greg Gorman	1001 W. Cypress Creek Rd, Suite 409	Ft. Lauderdale	FL	33309	954-578-7189
Jacksonville Beach	Barry Griffin	10151 Deerwood Park Blvd, Building 200, Suite 250	Jacksonville	FL	32256	904-325-9815
St. Augustine	Barry Griffin	10151 Deerwood Park Blvd, Building 200, Suite 250	Jacksonville	FL	32256	904-325-9815
Florida Keys	Marcia Peters	3434 Riviera Drive	Key West	FL	33040	305-296-9997
Pasco Co	Arthur Moseley	1843 Collier Pkwy	Lutz	FL	33549	813-907-8155
Melbourne	Ven Puskur	700 N. Wickham Road, Suite 210	Melbourne	FL	32935	321-600-0883
Miami-Dade	Robert N. Kemper	8603 South Dixie Highway, #310	Miami	FL	33143	305-662-4488
North Dade	Robert N. Kemper	8603 South Dixie Highway, #310	Miami	FL	33143	305-662-4488
Pensacola	Mike McKelvaine	3000 Langley Ave, Suite 200	Pensacola	FL	32504	850-497-6908
Pinellas Co.	Meg Mairn	9371 US Hwy 19 N. Suite A	Pinellas Park	FL	33782	727-547-7000
St. Petersburg	Meg Mairn	9371 US Hwy 19 N. Suite A	Pinellas Park	FL	33782	727-547-7000
Tampa East	Arthur Moseley	4917 Ehrlich Road, Suite 102	Tampa	FL	33624	813-343-0272
Tampa West	Arthur Moseley	4917 Ehrlich Road, Suite 102	Tampa	FL	33624	813-343-0272
Manatee	Wil Vigil	333 Tamiami Trail, Suite 174	Venice	FL	34285	941-219-3139
Sarasota	Wil Vigil	1131 Kittiwake Dr	Venice	FL	34285	941-496-9596
North Orange County	Herm Eick & Mary Carter Eick	1850 Lee Rd, Suite 320	Winter Park	FL	32789	407-740-7419
Seminole County	Herm Eick & Mary Carter Eick	1850 Lee Rd, Suite 320	Winter Park	FL	32789	407-740-7419
East Orange County	Herm Eick & Mary Carter Eick	1850 Lee Rd, Suite 320	Winter Park	FL	32789	407-740-7419
<b>ILLINOIS</b>						
Lake County	Michele Running	125 West Park Avenue	Libertyville	IL	60048	847-573-9056
NE Cook County	Michele Running	125 West Park Avenue	Libertyville	IL	60048	847-573-9056

<u>Territory Name</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>INDIANA</b>						
Columbus	Bobby Crider	2530 Sandcrest Blvd, Suite B	Columbus	IN	47203	812-372-5555
Carmel	Bill Kohler	3905 Bincennes Rd, Suite 303	Indianapolis	IN	46268	317-471-3521
Bloomington	Bobby Crider	7915 S. Emerson Ave – Suite B241	Indianapolis	IN	46237	812-371-5281
South Indy	Bobby Crider	7915 S. Emerson Ave – Suite B241	Indianapolis	IN	46237	812-371-5281
<b>IOWA</b>						
Eastern Iowa	Brian Rummelhart	2346 Nor Street	Iowa City	IA	52240	319-338-7556
<b>LOUISIANA</b>						
Baton Rouge	Hunter Dale	4637 Jamestown Ave, Suite D	Baton Rouge	LA	70808	225-328-9898
Hammond-Slidell	Hunter Dale	4637 Jamestown Ave, Suite D	Baton Rouge	LA	70808	225-328-9898
Acadiana	Karen Rue	1001 W Pinhook Road, Bldg #3 Suite 212	Lafayette	LA	70503	337-988-0076
<b>MARYLAND</b>						
Salisbury	Justin and Rose Money	212 East Main Street, Suite 218	Salisbury	MD	21801	410-777-8606
Anne Arundel- Kent Island	Rita Cook and Manisha Shrestha	550 M Gov. Ritchie Highway, Suite #202	Severna Park	MD	21146	410-975-9750
<b>MISSOURI</b>						
St. Charles-Warren Counties	Tom Conti	428 McDonough Street, #201	St. Charles	MO	63301	636-856-1036
West St. Louis County	Tom Conti	428 McDonough Street, #201	St. Charles	MO	63301	636-357-3841
<b>NEW JERSEY</b>						
Camden CO	Joe Bachich	404 S. White Horse Pike, PO Box 446	Berlin	NJ	08009	856-809-0099
Hunterdon CO	Stephen Rymal	26 Main Street, 2 <sup>nd</sup> Floor	Flemington	NJ	08822	908-806-0744
Somerset Co.	Ted Dzvileski	111 Omni Dr	Hillsborough	NJ	08844	908-359-5454
Burlington CO	Stephen Rymal	300 Chester Ave., Suite 106	Moorestown	NJ	08057	856-727-0800
Mercer CO	Joe Mandala	780 Livingston Avenue	N. Brunswick	NJ	08902	732-745-7788
Middlesex CO	Jane Mandala	780 Livingston Avenue	N. Brunswick	NJ	08902	732-745-7788
Cape Atlantic CO	Maria Bachich	3323 Simpson Avenue, Suite 2	Ocean City	NJ	08226	609-398-2424
Monmouth CO	Lynette Roslansky	429 Broad Street	Shrewsbury	NJ	07702	732-933-7600
Ocean Co.	Lynette Roslansky	610 Main Street	Toms River	NJ	08753	732-914-9111
Cumberland Co	Maria Bachich	10 South West Avenue	Vineland	NJ	08360	856-692-8765
Union Co.	Martha Ann Heinkel	540 East Broad Street	Westfield	NJ	07090	908-654-3400
Gloucester-Salem Co.	Stephen Rymal	190 N. Evergreen Ave., Ste 201	Woodbury	NJ	08096	856-579-4996

<u>Territory Name</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>NEW YORK</b>						
Scarsdale	Bob Kreek	141 Parkway Road, Suite 8	Bronxville	NY	10708	914-337-5028
Yonkers	Bob Kreek	141 Parkway Road, Suite 8	Bronxville	NY	10708	914-337-5028
North Orange County	Rich Smith	15 Railroad Ave	Chester	NY	10918	801-829-3421
North Syracuse	Michael Assimon	110 Buchmans Close Circle	Fayetteville	NY	13066	315-632-1651
South Syracuse	Michael Assimon	110 Buchmans Close Circle	Fayetteville	NY	13066	315-632-1651
Central Park	Kathleen Boziwick	146 W 95th Street, Suite 1B	New York	NY	10025	212-222-0500
Lower Manhattan	Kathleen Boziwick	146 W 95th Street, Suite 1B	New York	NY	10025	212-222-0500
Midtown Manhattan	Kathleen Boziwick	146 W 95th Street, Suite 1B	New York	NY	10025	212-222-0500
Upper Manhattan	Kathleen Boziwick	146 W 95th Street, Suite 1B	New York	NY	10025	212-222-0500
Northern Rochester	Frank Pettinaro	Latona Office Park 550 Latona Rd, Suite #406, Bldg D	Rochester	NY	14626	585-880-7773
<b>NORTH CAROLINA</b>						
Asheville	Rae Booth	3 Glenway Drive	Asheville	NC	28804	828-348-0988
Pinehurst	Robert Bonville	168 Westgate Drive	Pinehurst	NC	28374	910-687-6876
<b>NORTH DAKOTA</b>						
Fargo – Grand Forks	Josh Gilleland	819 30th Ave S., Suite 102	Moorhead	MN	56560	701-850-2000
<b>OHIO</b>						
Lorain-Erie-Huron	Scott & Peggy Kaase	260 South Main Street, Suite 216	Amherst	OH	44001	440-835-7900
NE Franklin-Delaware Co.	Scott & Peggy Kaase	4705 North High Street	Columbus	OH	43214	614-447-2100
NW Franklin CO	Scott & Peggy Kaase	4705 North High Street	Columbus	OH	43214	614-447-2100
Summit Southern Cuyahoga	Cathy Ricker	9251 Sprague Road, Suite 105	North Royalton	OH	44133	440-582-5890
W. Cuyahoga Co.	Scott & Peggy Kaase	26220 Center Ridge Road, Suite B Lower Level	Westlake	OH	44145	440-835-7900
<b>PENNSYLVANIA</b>						
NorCenPenn	Andrew Hefflinger	589 East 7th Street, Suite 3B	Bloomsburg	PA	17815	570-752-5552
Lancaster Co.	Gale Bachich	72 Pottstown Pike, Suite 102	Chester Springs	PA	19425	610-458-7100
Chester Co.	Gale Bachich	72 Pottstown Pike, Suite 102	Chester Springs	PA	19425	610-458-7100
Special Care Philadelphia Lwr. NE	Cynthia Mulford Stong	1515 Market St., Suite 1200	Philadelphia	PA	19102	215-482-7880
Special Care Abington-Grtr NE	Cathy Sheehan Thomer	2745 Terwood Road, 2nd Floor	Willow Grove	PA	19090	215-885-0311

<u>Territory Name</u>	<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Tel</u>
<b>SOUTH CAROLINA</b>						
Anderson-Laurens	Sean Kelley & Richard Merck	422 College Avenue, Suite 500	Clemson	SC	29631	864-442-6977
Pickens	Sean Kelley & Richard Merck	422 College Avenue, Suite 500	Clemson	SC	29631	864-442-6977
Charleston	Joe Bachich	120 Springhall Drive, Suite F	Goose Creek	SC	29445	843-375-3044
Hilton Head	Mike Falvo	1000 Main Street Suite 200E	Hilton Head	SC	29926	843-785-6400
Myrtle Beach - Georgetown	Joe Bachich	195 Prather Park Drive Unit A	Myrtle Beach	SC	29588	843-488-2849
Lexington	Joe Bachich	3935 Sunset Blvd Unit I	West Columbia	SC	29169	239-600-0571
<b>WASHINGTON</b>						
Bellevue	Ken Krajewski	8630 NE 24th St.	Bellevue	WA	98004	425-922-1617

**EXHIBIT F**  
**FINANCIAL STATEMENTS**

# **Griswold International, LLC and Subsidiary**

Consolidated Financial Report  
December 31, 2019

## Contents

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## Independent Auditor's Report

To the Members  
Griswold International, LLC and Subsidiary

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Griswold International, LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the related consolidated statements of operations, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Griswold International, LLC and Subsidiary as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 and Note 9 to the financial statements, the Company adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers – Topic 606* and all subsequent ASUs that modified ASC 606. The Company has elected to apply the modified retrospective method to adopt the new standard in 2019. Our opinion is not modified with respect to this matter.

*RSM US LLP*

Blue Bell, Pennsylvania  
March 10, 2020

**Griswold International, LLC and Subsidiary**

**Consolidated Balance Sheets  
December 31, 2019 and 2018**

	2019	2018
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 4,425,124	\$ 3,803,933
Accounts receivable, net of allowance for doubtful accounts of \$112,273 in 2019 and \$109,397 in 2018	1,156,545	1,279,539
Due from FHS, net of allowance for doubtful accounts of \$4,474,679 in 2019 and \$4,171,315 in 2018	503,364	500,000
Due from Griswold Investors LLC	1,856,855	1,857,515
Prepaid expenses and other current assets	574,533	200,110
<b>Total current assets</b>	<b>8,516,421</b>	<b>7,641,097</b>
Property and equipment, net	329,196	304,015
Other assets:		
Intangible assets, net of accumulated amortization of \$7,274,817 in 2019 and \$6,417,611 in 2018	23,255,518	24,118,374
Goodwill, net of accumulated amortization of \$10,208,324 in 2019 and \$8,440,592 in 2018	7,469,001	9,236,733
Security deposits	60,823	31,118
	<b>30,785,342</b>	<b>33,386,225</b>
<b>Total assets</b>	<b>\$ 39,630,959</b>	<b>\$ 41,331,337</b>
<b>Liabilities and Members' Equity</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 975,000	\$ 893,750
Accounts payable	820,343	765,219
Accrued interest	60,311	148,796
Accrued expenses	1,252,879	1,444,050
Current portion of deferred revenue	223,505	-
<b>Total current liabilities</b>	<b>3,332,038</b>	<b>3,251,815</b>
Deferred revenue, net of current portion	720,707	-
Long-term debt, net of current portion and loan origination fees	14,605,295	16,154,979
<b>Total liabilities</b>	<b>18,658,040</b>	<b>19,406,794</b>
Commitments and contingencies (Note 6)		
Members' equity	20,972,919	21,924,543
<b>Total liabilities and members' equity</b>	<b>\$ 39,630,959</b>	<b>\$ 41,331,337</b>

See notes to consolidated financial statements.

**Griswold International, LLC and Subsidiary**

**Consolidated Statements of Operations  
Years Ended December 31, 2019 and 2018**

	<b>2019</b>	2018
Revenues:		
Company-owned units	\$ 14,595,302	\$ 15,652,626
Royalties and marketing fee	7,743,178	6,774,857
Initial franchise fees	220,991	157,197
Other income	41,425	170,256
<b>Total revenues</b>	<b>22,600,896</b>	22,754,936
Expenses:		
Operating expenses	15,987,582	16,969,245
Selling, general and administrative expenses	2,220,269	1,201,986
Depreciation and amortization	2,864,838	2,854,397
Management fees	191,159	250,000
FHS receivable write-off	-	1,500,000
Unit-based compensation expense	18,735	41,823
<b>Total expenses</b>	<b>21,282,583</b>	22,817,451
<b>Operating income (loss)</b>	<b>1,318,313</b>	(62,515)
Interest expense, net	1,596,874	1,668,514
<b>Net loss</b>	<b>\$ (278,561)</b>	\$ (1,731,029)

See notes to consolidated financial statements.

**Griswold International, LLC and Subsidiary**

**Consolidated Statements of Members' Equity  
Years Ended December 31, 2019 and 2018**

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Balance, January 1, 2018	\$ 21,650,732
Unit-based compensation expense, net	41,823
Equity contribution from Parent	2,200,000
Cost of capital raise	(236,983)
Net loss	(1,731,029)
Balance, December 31, 2018	<u>21,924,543</u>
Adoption of Topic ASC 606	(630,338)
Unit-based compensation expense, net	18,735
Repurchase of Shares – Treasury Stock	(61,460)
Net loss	<u>(278,561)</u>
<b>Balance, December 31, 2019</b>	<b><u><u>\$ 20,972,919</u></u></b>

See notes to consolidated financial statements.

**Griswold International, LLC and Subsidiary**

**Consolidated Statements of Cash Flows  
Years Ended December 31, 2019 and 2018**

	2019	2018
Cash flows from operating activities:		
Net loss	\$ (278,561)	\$ (1,731,029)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,864,838	2,854,397
FHS receivable write-off	-	1,500,000
Unit-based compensation expense	18,735	41,823
(Increase) decrease in:		
Accounts receivable	122,994	182,293
Due from related parties	(2,704)	(2,033,419)
Prepaid expenses and other current assets	110,152	44,541
Security deposits	(29,705)	-
Increase (decrease) in:		
Accounts payable	55,124	11,712
Accrued expenses	(191,171)	357,057
Accrued interest	(88,485)	78,751
Deferred revenue	(170,701)	-
<b>Net cash provided by operating activities</b>	<b>2,410,516</b>	<b>1,306,126</b>
Cash flows from investing activities:		
Purchase of property and equipment	(177,681)	(220,312)
Purchase of intangibles	(6,850)	-
<b>Net cash used in investing activities</b>	<b>(184,531)</b>	<b>(220,312)</b>
Cash flows from financing activities:		
Equity contribution from Parent	-	2,200,000
Payment of capital raise cost	-	(236,983)
Debt repayments – seller notes	-	(110,937)
Repayment of new senior debt	(1,555,834)	(1,039,997)
Repurchase of stock	(61,460)	-
Sale of intangibles	12,500	-
<b>Net cash provided by (used in) financing activities</b>	<b>(1,604,794)</b>	<b>812,083</b>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>621,191</b>	<b>1,897,897</b>
Cash, cash equivalents and restricted cash, beginning:	3,803,933	1,906,036
Cash, cash equivalents and restricted cash, ending:	<b>\$ 4,425,124</b>	<b>\$ 3,803,933</b>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ 1,685,359	\$ 1,589,763
Supplemental disclosures of non-cash operating activities:		
Adoption of Topic 606 related to deferred revenue	\$ 1,114,913	\$ -
Adoption of Topic 606 related to other current assets	\$ (484,575)	\$ -

See notes to consolidated financial statements.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies

**Nature of operations:** Griswold International, LLC and Subsidiary (Griswold or the Company) supplies administrative support to Company-owned units and franchisees which provide client services to elderly and disabled persons receiving assistance with activities of daily living, instrumental activities of daily living, personal care, homemaking and companionship services from direct care providers primarily throughout the United States.

In 2016, the Company created Griswold International Care of NJ, LLC as a wholly-owned subsidiary of the Company.

A summary of the Company's significant accounting policies is as follows:

**Revenue recognition:** The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation in the contract
- Recognize revenue when or as performance obligations are satisfied

Below is a discussion of how the Company's revenues are earned, the Company's accounting policies pertaining to revenue recognition prior to the adoption of Topic 606 (Legacy GAAP), the Company's accounting policies pertaining to revenue recognition subsequent to the adoption of Topic 606 and other required disclosures. Refer to Note 9 for information regarding the cumulative effect adjustment recorded to members' equity as of the beginning of the period from January 1, 2019 to December 31, 2019 to reflect the adoption of Topic 606. Also included in Note 9 is disclosure of the amount by which each balance sheet and statement of operations line item was impacted in the current reporting period as compared to Legacy GAAP.

The Company derives its significant revenue from the following three principal sources:

**Initial franchise fees:** Under Legacy GAAP, initial franchise fees were generally recognized as the fees were earned, which is generally when the franchise began operations. Unearned franchise fees were included in deferred revenue in the accompanying balance sheets. Costs associated with supporting the franchise system were generally expensed as incurred which generally included providing supervision, assistance and services: training and pre-opening assistance, an operations manual, continuing assistance and advertising fund administration. Upon the adoption of Topic 606, the Company determined that a portion of the services provided in exchange for these initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, upon the adoption of Topic 606, a portion of initial franchise fees are recognized on a straight-line basis over the term of each respective franchise agreement, which is consistent with the franchisee's right to use and benefit from the exclusivity of territory and operational support. For the portion of the initial franchise fees that are considered to be individually distinct from the ongoing services provided to the franchisee, the Company recognizes those initial franchise fees as each individual performance obligation is satisfied. The Company applied this to all customer contracts as of the date of the initial agreement.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Royalties:** Franchisees are obligated to remit certain percentages of their revenue to Griswold for continuing royalties and marketing fees. Royalties are recognized by Griswold as the franchisee recognizes revenue. The timing and amount of revenue recognized related to continuing royalties was not impacted by the adoption of Topic 606.

Marketing fees are for future advertising, marketing, and promotional programs. The majority of the Company's franchise network contribute part of its gross revenues as defined in the franchise agreement to the Company to promote the products and services offered by the franchise network. Upon adoption of Topic 606, the gross revenues and expenses associated with these payments are recognized in the statements of operations having no effect on the net operation results.

**Company-owned units:** Revenue is recorded from company-owned units based upon services performed for clients and operating expenses of caregiver wages. The timing and amount of revenue recognized related to company-owned units was not impacted by the adoption of Topic 606.

As discussed above, revenue from a portion of initial franchise fees is recognized at both a point in time and over time. Revenue from royalties and company-owned units are recognized at a point in time. Total revenue recognized at a point in time and over time was as follows for the period ending December 31, 2019:

Revenue recognized over time	\$ 220,991
Revenue recognized at a point in time	22,379,905
	<u>\$ 22,600,896</u>

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimate relates to allowances for doubtful accounts.

**Cash, cash equivalents and restricted cash:** Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets and consolidated statements of cash flows:

	2019	2018
Cash and cash equivalents	\$ 4,208,791	\$ 3,605,312
Restricted cash	216,333	198,621
	<u>\$ 4,425,124</u>	<u>\$ 3,803,933</u>

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Accounts receivable:** Accounts receivable consist principally of amounts invoiced for services, royalties and other miscellaneous fees. The Company records an allowance for uncollectible receivables based on review of all outstanding amounts on a monthly basis and evaluation of the creditworthiness of its franchisee. For trade receivables, the Company generally does not require collateral from its franchisees. An allowance for doubtful accounts is recorded through charges to earnings in the form of a charge to bad debt expense. The Company periodically reviews and writes off accounts receivable once it is determined that the account cannot be collected. Recoveries of accounts receivable previously written off are recorded into income when received in cash.

**Property and equipment:** Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated using a straight-line method over the estimated useful lives of the related assets. Leasehold improvements made to leased property are amortized over the shorter of the estimated useful lives of the improvements or the lease term.

The estimated useful lives of property and equipment are:

Computer equipment	3 years
Information technology system	5 years
Furniture and fixtures	7 years
Leasehold improvements	2 years

**Advertising:** The majority of the Company's franchise network contribute part of its gross revenues as defined in the franchise agreement to the Company to promote the products and services offered by the franchise network.

The Company expenses advertising costs as they are incurred. Advertising costs included in selling expenses were \$73,005 and \$58,136, respectively, for the years ended December 31, 2019 and 2018.

**Impairment of long-lived assets:** The Company assesses impairment of long-lived assets, which includes property and equipment and definite lived intangibles, whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition is less than the carrying amount. Impairment, if any, is assessed using discounted cash flows. At December 31, 2019 and 2018, no impairment was noted.

**Intangible assets:** The Company's intangible assets that have a definite life are amortized on a straight-line basis over the following estimated useful lives:

Franchise agreement	30 years
Customer relationships	2 years
Other	3-5 years

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Goodwill:** The Company records as goodwill the excess of the fair value of the purchase price over the fair value of the identifiable net assets acquired. The Company adopted Accounting Standards Update (ASU) 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill (A Consensus of the Private Council)*, which provides an accounting alternative for the subsequent measurement of goodwill. Goodwill is amortized on a straight-line basis over a period of 10 years. The Company evaluates goodwill for impairment at the entity level if a triggering event occurs and has elected to be treated as one reporting unit for testing purposes. For the years ended December 31, 2019 and 2018, the Company assessed the totality of events and circumstances, and concluded that it is not likely the goodwill is impaired. The Company recorded \$1,767,732 and \$1,765,601 in goodwill amortization for the years ended December 31, 2019 and 2018, respectively.

**Trademark:** Trademark represents an indefinite lived intangible related to the value of the Griswold trade name. The Company evaluates the trademark for impairment annually. The impairment test performed compares the fair value under the relief of royalty method to the carrying value. There was no impairment charge in 2019 or 2018.

**Loan origination fees:** Loan origination fees consist of costs related to the issuance of debt and are amortized over the life of the related loans, which are five years. Amortization expense of \$85,882 was recorded for both years ended December 31, 2019 and 2018. Loan origination fees are shown net of debt in both 2019 and 2018. Future amortization of these costs are as follows:

Years ending December 31:

2020	\$	85,881
2021		85,881
2022		28,627

**Unit-based compensation:** The Company follows the accounting standards requiring companies to measure all employee unit-based compensation awards using a fair value method and record such expense in its financial statements.

**Income taxes:** The Company is being treated as a partnership for federal income tax purposes. As such, no provision for income taxes is recorded at the Company as all income and losses are allocated to the members. The Company files income tax returns in the U.S. federal jurisdiction, and various state jurisdictions.

The Company follows the Financial Accounting Standards Board (FASB) guidance for accounting for uncertainty in income taxes. Management has evaluated the tax positions of the Company and concluded that it has taken no uncertain tax positions that require disclosure in the financial statements. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2016.

The Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the tax position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Concentrations of credit risk:** The Company maintains cash balances at various financial institutions. At various times, the balances on deposit may exceed the amounts insured by the Federal Deposit Insurance Corporation.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge against earnings and a credit to a valuation account based on its assessment of the current status of individual accounts. Balances still outstanding after management has made a reasonable collection effort are written off through a charge to the valuation account and a credit to accounts receivable.

**Principles of consolidation:** The consolidated financial statements include the accounts of Griswold International, LLC and its wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Reclassification:** Certain prior year amounts have been reclassified to conform to the current year presentation.

**Subsequent events:** The Company has evaluated subsequent events through March 10, 2020, the date on which the consolidated financial statements were issued, and determined there were no events or matters requiring disclosure or recognition in the consolidated financial statements other than disclosed below.

On March 1, 2020, the President declared that the coronavirus outbreak in the United States constitutes a national emergency. Our business could be susceptible to changes in client demand and we may experience a varying degree of business interruption due to this outbreak. The extent to which the coronavirus affects our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information, which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

#### Note 2. Property and Equipment

Property and equipment at December 31, 2019 and 2018 consist of the following:

	2019	2018
Computer equipment	\$ 215,095	\$ 211,419
Information technology system	441,476	376,734
Leasehold improvements	66,064	55,571
Furniture and fixtures	83,541	103,113
	<u>806,176</u>	<u>746,837</u>
Less accumulated depreciation and amortization	476,980	442,822
Total property and equipment, net	<u>\$ 329,196</u>	<u>\$ 304,015</u>

Depreciation and amortization of property and equipment was \$154,484 and \$146,175, respectively, for the years ended December 31, 2019 and 2018.

**Griswold International, LLC and Subsidiary**

**Notes to Consolidated Financial Statements**

**Note 3. Goodwill and Intangible Assets**

Identifiable intangible assets at December 31, 2019 and 2018 consist of the following:

	2019			
	Weighted-Average Life (in months)	Cost	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Franchise agreements	360	\$ 25,337,000	\$ 6,002,563	\$ 19,334,437
Customer relationships	24	1,118,000	1,118,000	-
Other	36-60	179,664	154,254	25,410
Total definite-lived intangible assets		26,634,664	7,274,817	19,359,847
Indefinite-lived intangible assets:				
Trademark	Indefinite	3,895,671	-	3,895,671
Total indefinite-lived intangible assets		3,895,671	-	3,895,671
Total intangible assets		<u>\$ 30,530,335</u>	<u>\$ 7,274,817</u>	<u>\$ 23,255,518</u>

  

	2018			
	Weighted-Average Life (in months)	Cost	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Franchise agreements	360	\$ 25,337,000	\$ 5,151,857	\$ 20,185,143
Customer relationships	24	1,118,000	1,118,000	-
Other	36-60	192,164	147,754	44,410
Total definite-lived intangible assets		26,647,164	6,417,611	20,229,553
Indefinite-lived intangible assets:				
Trademark	Indefinite	3,888,821	-	3,888,821
Total indefinite-lived intangible assets		3,888,821	-	3,888,821
Total intangible assets		<u>\$ 30,535,985</u>	<u>\$ 6,417,611</u>	<u>\$ 24,118,374</u>

Amortization expense was \$856,740 for the years ended December 31, 2019 and 2018.

The estimated aggregate amortization expense for each of the next five years is as follows:

Years ending December 31:	
2020	\$ 851,067
2021	851,067
2022	849,442
2023	849,924
2024	844,567

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 3. Goodwill and Intangible Assets (Continued)

The following summarizes the changes to goodwill during the years ended December 31, 2019 and 2018.

Goodwill, January 1, 2018	\$ 11,002,334
Goodwill amortization	<u>(1,765,601)</u>
Goodwill, December 31, 2018	9,236,733
Goodwill amortization	<u>(1,767,732)</u>
Goodwill, December 31, 2019	<u>\$ 7,469,001</u>

Estimated future aggregate amortization expense for goodwill for the next five years is as follows:

Years ending December 31:	
2020	\$ 1,767,733
2021	1,767,733
2022	1,767,733
2023	1,767,733
2024	398,069

#### Note 4. Long-Term Debt

**Senior debt:** On May 4, 2017, the Company refinanced its senior debt with Sterling National Bank. The Company entered into a five-year loan in the amount of \$13,000,000, with quarterly principal payments required by the Company of \$162,500 from July 1, 2017 through June 30, 2019, \$243,750 from July 1, 2019 through June 30, 2021 and \$325,000 from July 1, 2021 through March 31, 2022, plus interest, with the loan maturing on May 4, 2022, when all outstanding principal and interest are due. The loan bears interest at three-month London Interbank Offered Rate (LIBOR) plus 4.75% (6.66% at December 31, 2019). In addition to quarterly principal and interest payments, the lender requires additional payment of excess cash flow as defined by the loan agreement. The senior debt facility is collateralized by substantially all of the Company's assets.

**Senior subordinated debt:** On November 26, 2012, Financial Health Services, LLC (FHS), a related party, and the Company entered into a senior subordinated debt agreement in the amount of \$8,400,000, which the Company was responsible for \$7,818,661 with Stonehenge Opportunity Fund. The senior subordinated debt facility was subordinated to the senior debt facility. The senior subordinated note bears interest at an annual rate of 14% with 11% payable quarterly in cash and 3% payable in kind or cash at FHS and the Company's option. The senior subordinated note had a term of six years and was due on November 26, 2018.

On May 4, 2017, the Company executed an amended and restated agreement with Stonehenge Opportunity Fund. The senior subordinated debt facility is subordinated to the senior debt facility. The senior subordinated note has a term of 5½ years and is due on November 3, 2022. In connection with the amended and restated agreement, the Company repaid \$3,412,896 of the outstanding principal and interest balance in 2017.

The amended and restated loan agreement does not include FHS as a co-borrower, however, FHS is still a guarantor of the note. The Company has recorded a receivable for FHS's portion of the outstanding debt at the transaction date of \$581,837 in connection with the assumption of FHS's senior subordinated debt, which was reserved for in 2017.

Under the terms of Company's credit facilities, the Company is required to maintain certain financial covenants, including both fixed charge ratios and leverage ratios.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 4. Long-Term Debt (Continued)

Following is a summary of long-term debt at December 31, 2019 and 2018:

	2019	2018
Term note	\$ 10,080,684	\$ 11,635,000
Senior subordinated debt	5,700,000	5,700,000
	<u>15,780,684</u>	<u>17,335,000</u>
Less loan origination fees	200,389	286,271
	<u>15,580,295</u>	<u>17,048,729</u>
Less current maturities	975,000	893,750
Total long-term debt, net of current maturities	<u>\$ 14,605,295</u>	<u>\$ 16,154,979</u>

Principal maturities of long-term debt is as follows:

Years ending December 31:	
2020	\$ 975,000
2021	1,218,750
2022	<u>13,586,934</u>
	<u>\$ 15,780,684</u>

#### Note 5. Unit-Based Compensation

The Company initially issued unit options to certain officers of the Company on December 31, 2012 under its 2012 Unit Options Plan. The 2012 Unit Options Plan authorized 30,392 units for issuance as unit options under the Plan.

Options granted under the Plan are at prices equal to the fair market value at the date of grant. Upon exercise of the unit options, the Company issues units from authorized but unissued units. At December 31, 2019, the Company had reserved 10,674 units of Class A-2 Units for possible future issuance under the Plan.

Unit-based compensation expense is recorded in the consolidated statements of operations. The Company recorded \$18,735 and \$41,823 of compensation expense related to awards during the years ended December 31, 2019 and 2018, respectively.

All outstanding service-based awards generally vest over five years after the date of grant and expires 10 years after the date of grant. Compensation expense is recognized over the requisite service period using the straight-line method. The requisite service period is the period over which the award vests.

**Griswold International, LLC and Subsidiary**

**Notes to Consolidated Financial Statements**

**Note 5. Unit-Based Compensation (Continued)**

Option activity of the Plan is summarized below:

	Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)
Outstanding at January 1, 2018	19,718	\$ 100.00	5.53
Options issued	760	100.00	0.07
Options forfeited	(760)	100.00	(0.17)
Outstanding at December 31, 2018	<u>19,718</u>	<u>\$ 100.00</u>	<u>4.61</u>
Options exercisable at December 31, 2018	<u>17,762</u>		
Outstanding at January 1, 2019	19,718	\$ 100.00	5.53
Options issued	-	100.00	-
Options forfeited	-	100.00	-
Options repurchased	(14,010)	100.00	(3.33)
Outstanding at December 31, 2019	<u>5,708</u>	<u>\$ 100.00</u>	<u>1.11</u>
Options exercisable at December 31, 2019	<u>5,328</u>		

**Note 6. Commitments and Contingencies**

**Litigation and contingencies:** From time to time, the Company may be involved in various claims, lawsuits, disputes with third parties, actions involving allegations or breach of contract actions incidental to the normal operations of the business. The Company is currently not involved in any such litigation, which management believes could have a material adverse effect on its financial position or results of operations.

**Commitments:** The Company leases its various offices under noncancelable operating leases expiring in various years through 2027. Certain leases contain various renewal options.

The future minimum lease payments under noncancelable operating leases are as follows:

Years ending December 31:	
2020	\$ 245,861
2021	405,251
2022	352,468
2023	348,985
2024	355,939
Thereafter	<u>1,047,831</u>
Total lease commitments	<u>\$ 2,756,335</u>

Rent expense was \$428,895 and \$445,399, respectively, for the years ended December 31, 2019 and 2018.

## **Griswold International, LLC and Subsidiary**

### **Notes to Consolidated Financial Statements**

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#### **Note 7. Defined Contribution Plan**

The Company sponsors a defined contribution plan covering all eligible employees. The Company matches 100% of the participant's contribution up to 3% of compensation and 50% of matched employee contributions exceeding 3% to a maximum of 5% of eligible compensation. Contribution expense to the plan was \$119,000 and \$112,950, respectively, for the years ended December 31, 2019 and 2018.

#### **Note 8. Related Party Transactions**

During 2018, the Company received a capital contribution of \$2,200,000 from its parent company. The Company then lent \$2,000,000 to FHS in order for FHS to pay down its liabilities. The remaining \$200,000 of capital contribution was reimbursement to the Company for cost of the capital raise associated with the capital contribution. The balance of the loan receivable with FHS was \$2,000,000 as of December 31, 2019 and 2018. This amount is reported net of an allowance of \$1,500,000 in Due from FHS. Any excess funds returned by FHS must be used to pay down debt.

FHS provided certain billing related services to the Company's wholly owned units as well as to the Company's franchisees and Company-owned offices during the years ended December 31, 2019 and 2018. Collections of \$649,358 and \$736,054 were remitted to the Company by FHS during 2019 and 2018, respectively.

The Company has entered into a management agreement with an affiliated entity of a member of the Company to provide management and advisory services. The term of this agreement is five years with an annual fee based on a percentage of the prior year's earnings before interest, taxes, depreciation, and amortization (EBITDA). The Company recorded a management fee expense of \$191,159 and \$250,000 for years ended December 31, 2019 and 2018.

Due from FHS also represents amounts due to Griswold paid on behalf of FHS related to shared expenses. Amounts do not bear interest and are due on demand.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

#### Note 9. Impact of Adopting New Revenue Recognition Standards

As discussed in Note 1, the Company adopted Topic 606 at the beginning of the period from January 1, 2019 to December 31, 2019, using the modified retrospective method. Topic 606 was applied to all contracts with customers as of January 1, 2019 and the cumulative effect of this transition was recorded as an adjustment to members' equity as of this date. As a result, the following adjustments were made to the consolidated balance sheet as of January 1, 2019:

	As reported December 31, 2018	Adjustments	Balances with Adoption of Topic 606 January 1, 2019
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,605,312	\$ -	\$ 3,605,312
Restricted cash	198,621	-	198,621
Accounts receivable, net of allowance for doubtful accounts	1,279,539	-	1,279,539
Due from FHS, net of allowance for doubtful accounts	500,000	-	500,000
Due from Griswold Investors LLC	1,857,515	-	1,857,515
Prepaid expenses and other current assets	200,110	484,575	684,685
<b>Total current assets</b>	<b>7,641,097</b>	<b>484,575</b>	<b>8,125,672</b>
Property and equipment, net	304,015	-	304,015
Other assets:			
Intangible assets, net of accumulated amortization	24,118,374	-	24,118,374
Goodwill, net of accumulated amortization	9,236,733	-	9,236,733
Security deposits	31,118	-	31,118
	<b>33,386,225</b>	<b>-</b>	<b>33,386,225</b>
<b>Total assets</b>	<b>\$ 41,331,337</b>	<b>\$ 484,575</b>	<b>\$ 41,815,912</b>
<b>Liabilities and Members' Equity</b>			
Current liabilities:			
Current maturities of long-term debt	\$ 893,750	\$ -	\$ 893,750
Accounts payable	765,219	-	765,219
Accrued interest	148,796	-	148,796
Accrued expenses	1,444,050	-	1,444,050
Current portion of deferred revenue	-	218,476	218,476
<b>Total current liabilities</b>	<b>3,251,815</b>	<b>218,476</b>	<b>3,470,291</b>
Long-term liabilities:			
Deferred revenue, net of current portion	-	896,437	896,437
Long-term debt, net of current portion and loan origination fees	16,154,979	-	16,154,979
<b>Total liabilities</b>	<b>19,406,794</b>	<b>1,114,913</b>	<b>20,521,707</b>
Commitments and contingencies (Note 6)			
Members' equity	21,924,543	(630,338)	21,294,205
<b>Total liabilities and members' equity</b>	<b>\$ 41,331,337</b>	<b>\$ 484,575</b>	<b>\$ 41,815,912</b>

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

#### Note 9. Impact of Adopting New Revenue Recognition Standards (Continued)

The following tables reflect the impact of the adoption of Topic 606 on the consolidated balance sheet as of December 31, 2019:

	As reported December 31, 2019	Impact	Legacy GAAP December 31, 2019
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 4,208,791	\$ -	\$ 4,208,791
Restricted cash	216,333	-	216,333
Accounts receivable, net of allowance for doubtful accounts	1,156,545	-	1,156,545
Due from FHS, net of allowance for doubtful accounts	503,364	-	503,364
Due from Griswold Investors LLC	1,856,855	-	1,856,855
Prepaid expenses and other current assets	574,533	(381,225)	193,308
<b>Total current assets</b>	<b>8,516,421</b>	<b>(381,225)</b>	<b>8,135,196</b>
Property and equipment, net	329,196	-	329,196
Other assets:			
Intangible assets, net of accumulated amortization	23,255,518	-	23,255,518
Goodwill, net of accumulated amortization	7,469,001	-	7,469,001
Security deposits	60,823	-	60,823
	<b>30,785,342</b>	<b>-</b>	<b>30,785,342</b>
<b>Total assets</b>	<b>\$ 39,630,959</b>	<b>\$ (381,225)</b>	<b>\$ 39,249,734</b>
<b>Liabilities and Members' Equity</b>			
Current liabilities:			
Current maturities of long-term debt	\$ 975,000	\$ -	\$ 975,000
Accounts payable	820,343	-	820,343
Accrued interest	60,311	-	60,311
Accrued expenses	1,252,879	-	1,252,879
Current portion of deferred revenue	223,505	(223,505)	-
<b>Total current liabilities</b>	<b>3,332,038</b>	<b>(223,505)</b>	<b>3,108,533</b>
Long-term liabilities:			
Deferred revenue, net of current portion	720,707	(720,707)	-
Long-term debt, net of current portion and loan origination fees	14,605,295	-	14,605,295
<b>Total liabilities</b>	<b>18,658,040</b>	<b>(944,212)</b>	<b>17,713,828</b>
Commitments and contingencies (Note 6)			
Members' equity	20,972,919	562,987	21,535,906
<b>Total liabilities and members' equity</b>	<b>\$ 39,630,959</b>	<b>\$ (381,225)</b>	<b>\$ 39,249,734</b>

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 9. Impact of Adopting New Revenue Recognition Standards (Continued)

The following tables reflect the impact of the adoption of Topic 606 on the consolidated statement of operations for the period from January 1, 2019 to December 31, 2019:

	As reported	Impact	Balances under Legacy GAAP
Revenues:			
Company-owned units	\$ 14,595,302	\$ -	\$ 14,595,302
Royalties and marketing fee	7,743,178	(815,632)	6,927,546
Initial franchise fees	220,991	(170,701)	50,290
Other income	41,425	-	41,425
<b>Total revenues</b>	<b>22,600,896</b>	<b>(986,333)</b>	<b>21,614,563</b>
Expenses			
Operating Expenses	15,987,582	-	15,987,582
Selling, general and administrative expenses	2,220,269	(918,982)	1,301,287
Depreciation and amortization	2,864,838	-	2,864,838
Management fees	191,159	-	191,159
Unit-based compensation expense	18,735	-	18,735
<b>Total expenses</b>	<b>21,282,583</b>	<b>(918,982)</b>	<b>20,363,601</b>
<b>Operating income (loss)</b>	<b>1,318,313</b>	<b>(67,351)</b>	<b>1,250,962</b>
Interest expense, net	1,596,874	-	1,596,874
<b>Net loss</b>	<b>\$ (278,561)</b>	<b>\$ (67,351)</b>	<b>\$ (345,912)</b>

#### Note 10. Recent Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, *Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value of the reporting unit and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax deductible goodwill when measuring goodwill impairment loss. ASU 2017-04 will be effective for the Company beginning on January 1, 2022. ASU 2017-04 must be applied prospectively with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 was issued in three parts: Section A, *Leases: Amendments to the FASB Accounting Standards Codification*, Section B, *Conforming Amendments Related to Leases: Amendments to the FASB Accounting Standards Codification*, and Section C, *Background Information and Basis for Conclusions*. Under the new standard, the lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. The updated standard will be effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. The Company is currently evaluating the effect that the updated standard will have on its consolidated financial statements.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### **Note 10. Recent Accounting Pronouncements (Continued)**

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

# **Griswold International, LLC and Subsidiary**

Consolidated Financial Report  
December 31, 2018

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RSM US LLP

## Independent Auditor's Report

To the Members  
Griswold International, LLC and Subsidiary

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Griswold International, LLC and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, the related consolidated statements of operations, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Griswold International, LLC and Subsidiary as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*RSM VS LLP*

Blue Bell, Pennsylvania  
February 21, 2019

**Griswold International, LLC and Subsidiary**

**Consolidated Balance Sheets**  
**December 31, 2018 and 2017**

	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,605,312	\$ 1,747,171
Restricted cash	198,621	158,865
Accounts receivable, net of allowance for doubtful accounts of \$109,397 in 2018 and \$166,205 in 2017	1,279,539	1,261,832
Accounts receivable - FHS, net of allowance for doubtful accounts of \$0 in 2018 and \$40,725 in 2017	-	166,581
Due from FHS, net of allowance for doubtful accounts of \$4,171,315 in 2018 and \$2,471,315 in 2017	500,000	-
Due from Griswold Investors LLC	1,857,515	1,857,515
Prepaid expenses	200,110	244,651
<b>Total current assets</b>	<b>7,641,097</b>	<b>5,436,615</b>
Property and equipment, net	304,015	229,879
Other assets:		
Intangible assets, net of accumulated amortization of \$6,417,611 in 2018 and \$5,560,871 in 2017	24,118,374	24,975,114
Goodwill, net of accumulated amortization of \$8,440,592 in 2018 and \$6,674,991 in 2017	9,236,733	11,002,334
Security deposits	31,119	31,119
	<b>33,386,226</b>	<b>36,008,567</b>
<b>Total assets</b>	<b>\$ 41,331,337</b>	<b>\$ 41,675,061</b>
<b>Liabilities and Members' Equity</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 893,750	\$ 760,936
Accounts payable	765,219	753,507
Accrued interest	148,796	70,045
Accrued expenses	1,444,050	1,086,993
<b>Total current liabilities</b>	<b>3,251,815</b>	<b>2,671,481</b>
Long-term debt, net of current portion and loan origination fees	16,154,979	17,352,848
<b>Total liabilities</b>	<b>19,406,794</b>	<b>20,024,329</b>
Commitments and contingencies (Note 6)		
Members' equity	21,924,543	21,650,732
<b>Total liabilities and members' equity</b>	<b>\$ 41,331,337</b>	<b>\$ 41,675,061</b>

See notes to consolidated financial statements.

**Griswold International, LLC and Subsidiary**

**Consolidated Statements of Operations  
Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
Revenue	<b>\$ 22,754,936</b>	\$ 23,391,001
Expenses:		
Operating expenses	<b>16,969,245</b>	17,936,613
Selling, general and administrative expenses	<b>1,201,986</b>	1,631,372
Depreciation and amortization	<b>2,854,397</b>	2,876,746
Management fees	<b>250,000</b>	250,000
FHS receivable write-off	<b>1,500,000</b>	2,471,315
Unit-based compensation expense	<b>41,823</b>	154,000
<b>Total expenses</b>	<b>22,817,451</b>	25,320,046
<b>Operating loss</b>	<b>(62,515)</b>	(1,929,045)
Write-off of loan origination fees	-	155,715
Interest expense, net	<b>1,668,514</b>	1,684,617
<b>Net loss</b>	<b>\$ (1,731,029)</b>	\$ (3,769,377)

See notes to consolidated financial statements.

**Griswold International, LLC and Subsidiary**

**Consolidated Statements of Members' Equity  
Years Ended December 31, 2018 and 2017**

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Balance, January 1, 2017	\$ 25,266,109
Unit-based compensation expense, net	154,000
Net loss	<u>(3,769,377)</u>
Balance, December 31, 2017	21,650,732
Unit-based compensation expense, net	41,823
Equity contribution from Parent	2,200,000
Cost of capital raise	(236,983)
Net loss	<u>(1,731,029)</u>
<b>Balance, December 31, 2018</b>	<b><u><u>\$ 21,924,543</u></u></b>

See notes to consolidated financial statements.

**Griswold International, LLC and Subsidiary**

**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2018 and 2017**

	2018	2017
Cash flows from operating activities:		
Net loss	\$ (1,731,029)	\$ (3,769,377)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,854,397	2,876,746
Write off of loan origination fees	-	155,716
FHS receivable write-off	1,500,000	841,837
Unit-based compensation expense	41,823	154,000
(Increase) decrease in:		
Restricted cash	(39,756)	20,489
Accounts receivable	182,293	99,287
Due from related parties	(2,033,419)	-
Prepaid expenses	44,541	(62,922)
Security deposits	-	1,303
Increase (decrease) in:		
Accounts payable	11,712	(186,324)
Accrued expenses	357,057	(250,518)
Accrued interest	78,751	(500,795)
<b>Net cash provided by (used in) operating activities</b>	<b>1,266,370</b>	<b>(620,558)</b>
Cash flows from investing activities:		
Purchase of property and equipment	(220,312)	(69,176)
Purchase of intangibles	-	(32,099)
<b>Net cash used in investing activities</b>	<b>(220,312)</b>	<b>(101,275)</b>
Cash flows from financing activities:		
Loan origination fees paid	-	(429,406)
Equity contribution from Parent	2,200,000	-
Payment of capital raise cost	(236,983)	-
Debt repayments - seller notes	(110,937)	(208,646)
Borrowings under new senior debt	-	13,000,000
Repayment of new senior debt	(1,039,997)	(325,000)
Repayment of senior subordinated debt	-	(2,118,663)
Repayment of senior debt	-	(8,787,498)
<b>Net cash provided by financing activities</b>	<b>812,083</b>	<b>1,130,787</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,858,141</b>	<b>408,954</b>
Cash and cash equivalents, beginning	1,747,171	1,338,217
Cash and cash equivalents, ending	<b>\$ 3,605,312</b>	<b>\$ 1,747,171</b>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	<b>\$ 1,589,763</b>	<b>\$ 2,185,412</b>
Supplemental disclosure of non-cash information:		
FHS receivable write-off	<b>\$ -</b>	<b>\$ 1,629,478</b>

See notes to consolidated financial statements.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies

**Nature of operations:** Griswold International, LLC and Subsidiary (Griswold or the Company) supplies administrative support to Company-owned units and franchisees which provide client services to elderly and disabled persons receiving assistance with activities of daily living, instrumental activities of daily living, personal care, homemaking and companionship services from direct care providers primarily throughout the United States.

In 2016, the Company created Griswold International Care of NJ, LLC as a wholly-owned subsidiary of the Company.

A summary of the Company's significant accounting policies is as follows:

**Revenue recognition:** Griswold revenues are earned from initial franchise fees, royalties from franchisees and revenues from Company-owned units.

**Initial franchise fees:** Initial franchise fees are charged to franchisees. Initial franchise fees are recognized when all material services or conditions relating to the new franchise have been substantially performed by the Company at the time the franchise agreement is executed. Initial franchise fees under the franchise agreement are not refundable under any circumstance.

**Royalties:** Franchisees are obligated to remit certain percentages of their revenue to Griswold for continuing royalties and marketing fees. Royalties are recognized by Griswold as the franchisee recognizes revenue.

**Company-owned units:** Revenue is recorded from company-owned units based upon services performed for clients and operating expenses of caregiver wages.

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimate relates to allowances for doubtful accounts.

**Cash and cash equivalents:** Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

**Accounts receivable:** Accounts receivable consist principally of amounts invoiced for services, royalties and other miscellaneous fees. The Company records an allowance for uncollectible receivables based on review of all outstanding amounts on a monthly basis and evaluation of the creditworthiness of its franchisee. For trade receivables, the Company generally does not require collateral from its franchisees. An allowance for doubtful accounts is recorded through charges to earnings in the form of a charge to bad debt expense. The Company periodically reviews and writes off accounts receivable once it is determined that the account cannot be collected. Recoveries of accounts receivable previously written off are recorded into income when received in cash.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Property and equipment:** Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated using a straight-line method over the estimated useful lives of the related assets. Leasehold improvements made to leased property are amortized over the shorter of the estimated useful lives of the improvements or the lease term.

The estimated useful lives of property and equipment are:

Computer equipment	3 years
Information technology system	5 years
Furniture and fixtures	7 years
Leasehold improvements	2 years

**Advertising:** The majority of the Company's franchise network contribute part of its gross revenues as defined in the franchise agreement to the Company to promote the products and services offered by the franchise network. All marketing expenses paid for by the Company are presented net against the funds remitted to the Company.

The Company expenses advertising costs as they are incurred. Advertising costs included in selling expenses were \$58,136 and \$59,300, respectively, for the years ended December 31, 2018 and 2017.

**Impairment of long-lived assets:** The Company assesses impairment of long-lived assets, which includes property and equipment and definite lived intangibles, whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition is less than the carrying amount. Impairment, if any, is assessed using discounted cash flows. At December 31, 2018 and 2017, no impairment was noted.

**Intangible assets:** The Company's intangible assets that have a definite life are amortized on a straight-line basis over the following estimated useful lives:

Franchise agreement	30 years
Customer relationships	2 years
Other	3 - 5 years

**Goodwill:** The Company records as goodwill the excess of the fair value of the purchase price over the fair value of the identifiable net assets acquired. The Company adopted Accounting Standards Update (ASU) 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill (A Consensus of the Private Council)*, which provides an accounting alternative for the subsequent measurement of goodwill. Goodwill is amortized on a straight-line basis over a period of ten years. The Company evaluates goodwill for impairment at the entity level if a triggering event occurs and has elected to be treated as one reporting unit for testing purposes. For the years ended December 31, 2018 and 2017, the Company assessed the totality of events and circumstances, and concluded that it is not likely the goodwill is impaired. The Company recorded \$1,765,601 and \$1,774,946 in goodwill amortization for the years ended December 31, 2018 and 2017, respectively.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Trademark:** Trademark represents an indefinite lived intangible related to the value of the Griswold trade name. The Company evaluates the trademark for impairment annually. The impairment test performed compares the fair value under the relief of royalty method to the carrying value. There was no impairment charge in 2018 or 2017.

**Loan origination fees:** Loan origination fees consist of costs related to the issuance of debt and are amortized over the life of the related loans, which are 5 years. Amortization expense of \$85,881 and \$117,901, respectively, was recorded for the years ended December 31, 2018 and 2017. Loan origination fees are shown net of debt in both 2018 and 2017. Future amortization of these costs are as follows:

Years ending December 31:		
2019	\$	85,881
2020		85,881
2021		85,881
2022		28,628

**Unit-based compensation:** The Company follows the accounting standards requiring companies to measure all employee unit-based compensation awards using a fair value method and record such expense in its financial statements.

**Income taxes:** The Company is being treated as a partnership for federal income tax purposes. As such, no provision for income taxes is recorded at the Company as all income and losses are allocated to the members. The Company files income tax returns in the U.S. federal jurisdiction, and various state jurisdictions.

The Company follows the Financial Accounting Standards Board (FASB) guidance for accounting for uncertainty in income taxes. Management has evaluated the tax positions of the Company and concluded that it has taken no uncertain tax positions that require disclosure in the financial statements. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2015.

The Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the tax position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

**Concentrations of credit risk:** The Company maintains cash balances at various financial institutions. At various times, the balances on deposit may exceed the amounts insured by the Federal Deposit Insurance Corporation.

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge against earnings and a credit to a valuation account based on its assessment of the current status of individual accounts. Balances still outstanding after management has made a reasonable collection effort are written off through a charge to the valuation account and a credit to accounts receivable.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Operations and Summary of Significant Accounting Policies (Continued)

**Principles of consolidation:** The consolidated financial statements include the accounts of Griswold International, LLC and its wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Reclassification:** Certain prior year amounts have been reclassified to conform to the current year presentation.

**Subsequent events:** The Company has evaluated subsequent events through February 21, 2019, the date on which the consolidated financial statements were issued, and determined there were no events or matters requiring disclosure or recognition in the consolidated financial statements.

#### Note 2. Property and Equipment

Property and equipment at December 31, 2018 and 2017 consist of the following:

	2018	2017
Computer equipment	\$ 211,419	\$ 237,319
Information technology system	376,734	198,286
Leasehold improvements	55,571	55,571
Furniture and fixtures	103,114	109,610
	<u>746,838</u>	<u>600,786</u>
Less accumulated depreciation and amortization	442,822	370,907
Total property and equipment, net	<u>\$ 304,015</u>	<u>\$ 229,879</u>

Depreciation and amortization of property and equipment was \$146,175 and \$113,603, respectively, for the years ended December 31, 2018 and 2017.

#### Note 3. Goodwill and Intangible Assets

Identifiable intangible assets at December 31, 2018 and 2017 consist of the following:

	2018			
	Weighted-Average Life (in months)	Cost	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Franchise agreements	360	\$ 25,337,000	\$ 5,151,857	\$ 20,185,143
Customer relationships	24	1,118,000	1,118,000	-
Other	36-60	192,164	147,754	44,410
Total definite-lived intangible assets		<u>26,647,164</u>	<u>6,417,611</u>	<u>20,229,553</u>
Indefinite-lived intangible assets:				
Trademark	Indefinite	3,888,821	-	3,888,821
Total indefinite-lived intangible assets		<u>3,888,821</u>	<u>-</u>	<u>3,888,821</u>
Total intangible assets		<u>\$ 30,535,985</u>	<u>\$ 6,417,611</u>	<u>\$ 24,118,374</u>

**Griswold International, LLC and Subsidiary**

**Notes to Consolidated Financial Statements**

**Note 3. Goodwill and Intangible Assets (Continued)**

	2017			
	Weighted-Average Life (in months)	Cost	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Franchise agreements	360	\$ 25,337,000	\$ 4,307,290	\$ 21,029,710
Customer relationships	24	1,118,000	1,118,000	-
Other	36-60	192,164	135,581	56,583
Total definite-lived intangible assets		<u>26,647,164</u>	<u>5,560,871</u>	<u>21,086,293</u>
Indefinite-lived intangible assets:				
Trademark	Indefinite	3,888,821	-	3,888,821
Total indefinite-lived intangible assets		<u>3,888,821</u>	<u>-</u>	<u>3,888,821</u>
Total intangible assets		<u>\$ 30,535,985</u>	<u>\$ 5,560,871</u>	<u>\$ 24,975,114</u>

Amortization expense was \$856,740 and \$870,296, respectively, for the years ended December 31, 2018 and 2017.

The estimated aggregate amortization expense for each of the next five years is as follows:

Years ending December 31:	
2019	\$ 852,230
2020	851,067
2021	851,067
2022	849,442
2023	849,924

The following summarizes the changes to goodwill during the years ended December 31, 2018 and 2017.

Goodwill, January 1, 2017	\$ 12,777,280
Goodwill amortization	<u>(1,774,946)</u>
Goodwill, December 31, 2017	11,002,334
Goodwill amortization	<u>(1,765,601)</u>
Goodwill, December 31, 2018	<u>\$ 9,236,733</u>

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 3. Goodwill and Intangible Assets (Continued)

Estimated future aggregate amortization expense for goodwill for the next five years is as follows:

Years ending December 31:	
2019	\$ 1,767,733
2020	1,767,733
2021	1,767,733
2022	1,767,733
2023	1,767,733

#### Note 4. Long-Term Debt

**Senior debt:** On November 26, 2012, Financial Health Services, LLC (FHS), a related party, and the Company entered into a senior debt facility with a financial institution consisting of a revolving line of credit facility (the Revolver), a term loan (Term Loan) and an acquisition line of credit (Acquisition Line). The senior debt facility was collateralized by substantially all of FHS's and the Company's assets.

FHS and the Company could borrow up to \$1,500,000 on the Revolver which bore interest at LIBOR plus 5.5%. The Revolver had a five year term and was repaid on May 4, 2017.

FHS and the Company could borrow up to \$2,000,000 on the Acquisition Line for a qualified acquisition, as defined. The Acquisition Line bore interest at LIBOR plus 5.5%. The Acquisition Line required monthly principal payments and was repaid on May 4, 2017.

FHS and the Company entered into a five-year Term Loan in the amount of \$18,500,000 of which the Company was responsible for \$17,223,500, with monthly principal payments required by the Company of \$135,790 plus interest. The loan bore interest at LIBOR plus 5%. The Term Loan was repaid on May 4, 2017 and the Company assumed FHS's portion of the debt.

On May 4, 2017, the Company refinanced its senior debt with Sterling National Bank. The Company entered into a five-year loan in the amount of \$13,000,000, with quarterly principal payments required by the Company of \$162,500 from July 1, 2017 through June 30, 2019, \$243,750 from July 1, 2019 through June 30, 2021 and \$325,000 from July 1, 2021 through March 31, 2022, plus interest, with the loan maturing on May 4, 2022, when all outstanding principal and interest are due. The loan bears interest at three-month LIBOR plus 4.75% (7.56% at December 31, 2018). In addition to quarterly principal and interest payments, the lender requires additional payment of excess cash flow as defined by the loan agreement. The senior debt facility is collateralized by substantially all of the Company's assets.

The current loan agreement doesn't include FHS as a co-borrower. In 2017, the Company has recorded a receivable for FHS's portion of the outstanding debt at the transaction date of \$777,543 in connection with the assumption of FHS's senior debt, which was reserved for in 2017.

**Seller notes:** In connection with the prior year acquisitions, the Company executed two seller notes. The first was executed on June 1, 2016 for \$393,750, bears interest at 6% and required eight quarterly payments and matures on June 20, 2018. The second was executed on June 24, 2016 for \$50,000, bears interest at 6% and requires eight quarterly payments and matures on June 20, 2018. The two seller notes were paid in full on June 20, 2018.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 4. Long-Term Debt (Continued)

**Senior subordinated debt:** On November 26, 2012, FHS and the Company entered into a senior subordinated debt agreement in the amount of \$8,400,000, which the Company was responsible for \$7,818,661 with Stonehenge Opportunity Fund. The senior subordinated debt facility was subordinated to the senior debt facility. The senior subordinated note bears interest at an annual rate of 14% with 11% payable quarterly in cash and 3% payable in kind or cash at FHS and the Company's option. The senior subordinated note had a term of six years and is due on November 26, 2018. Under the terms of FHS's and the Company's credit facilities, FHS and the Company were required to maintain certain financial covenants, including both fixed charge ratios and leverage ratios.

On May 4, 2017, the Company executed an amended and restated agreement with Stonehenge Opportunity Fund. The senior subordinated debt facility is subordinated to the senior debt facility. The senior subordinated note has a term of 5½ years and is due on November 3, 2022. In connection with the amended and restated agreement, the Company repaid \$3,412,896 of the outstanding principal and interest balance in 2017.

The amended and restated loan agreement does not include FHS as a co-borrower, however, FHS is still a guarantor of the note. The Company has recorded a receivable for FHS's portion of the outstanding debt at the transaction date of \$581,837 in connection with the assumption of FHS's senior subordinated debt, which was reserved for in 2017.

Under the terms of Company's credit facilities, the Company is required to maintain certain financial covenants, including both fixed charge ratios and leverage ratios.

Following is a summary of long-term debt at December 31, 2018 and 2017:

	2018	2017
Term note	\$11,635,000	\$12,675,000
Seller notes	-	110,936
Senior subordinated debt	5,700,000	5,700,000
	<u>17,335,000</u>	<u>18,485,936</u>
Less loan origination fees	286,271	372,152
	<u>17,048,729</u>	<u>18,113,784</u>
Less current maturities	893,750	760,936
Total long-term debt, net of current maturities	<u>\$ 16,154,979</u>	<u>\$ 17,352,848</u>

Principal maturities of long-term debt is as follows:

Years ending December 31:	
2019	\$ 812,500
2020	975,000
2021	1,137,500
2022	14,410,000
	<u>\$ 17,335,000</u>

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 5. Unit-Based Compensation

The Company initially issued unit options to certain officers of the Company on December 31, 2012 under its 2012 Unit Options Plan. The 2012 Unit Options Plan authorized 30,392 units for issuance as unit options under the Plan.

Options granted under the Plan are at prices equal to the fair market value at the date of grant. Upon exercise of the unit options, the Company issues units from authorized but unissued units. At December 31, 2018, the Company had reserved 10,674 units of Class A-2 Units for possible future issuance under the Plan.

Unit-based compensation expense is recorded in the consolidated statements of operations. The Company recorded \$41,823 and \$154,000 of compensation expense related to awards during the years ended December 31, 2018 and 2017, respectively.

All outstanding service-based awards generally vest over five years after the date of grant and expires 10 years after the date of grant. Compensation expense is recognized over the requisite service period using the straight-line method. The requisite service period is the period over which the award vests.

Option activity of the Plan is summarized below:

	Units	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)
Outstanding at January 1, 2017	19,718	\$ 100.00	6.53
Options issued	-	\$ 100.00	-
Options forfeited	-	\$ 100.00	-
Outstanding at December 31, 2017	<u>19,718</u>	<u>\$ 100.00</u>	<u>5.53</u>
Options exercisable at December 31, 2017	<u>17,354</u>		
Outstanding at January 1, 2018	19,718	\$ 100.00	5.53
Options issued	760	\$ 100.00	0.07
Options forfeited	(760)	\$ 100.00	(0.17)
Outstanding at December 31, 2018	<u>19,718</u>	<u>\$ 100.00</u>	<u>4.61</u>
Options exercisable at December 31, 2018	<u>17,762</u>		

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 6. Commitments and Contingencies

**Litigation and contingencies:** From time to time, the Company may be involved in various claims, lawsuits, disputes with third parties, actions involving allegations or breach of contract actions incidental to the normal operations of the business. The Company is currently not involved in any such litigation, which management believes could have a material adverse effect on its financial position or results of operations.

**Joint and several liability arrangements:** The Company was jointly and severally liable for total debt obligations by and among the Company and FHS (collectively referred to as Borrowers). The debt obligations were repaid on May 4, 2017 and the Company assumed all of FHS's portion of the liabilities. The debt was refinanced during 2017 to remove FHS from the agreement.

**Commitments:** The Company leases its various offices under noncancelable operating leases expiring in various years through 2020. Certain leases contain various renewal options.

The future minimum lease payments under noncancelable operating leases are as follows:

Years ending December 31:	
2019	\$ 242,967
2020	35,047
Total lease commitments	<u>\$ 278,014</u>

Rent expense was \$445,399 and \$441,960, respectively, for the years ended December 31, 2018 and 2017.

#### Note 7. Defined Contribution Plan

The Company sponsors a defined contribution plan covering all eligible employees. The Company matches 100% of the participant's contribution up to 3% of compensation and 50% of matched employee contributions exceeding 3% to a maximum of 5% of eligible compensation. Contribution expense to the plan was \$112,950 and \$89,500, respectively, for the years ended December 31, 2018 and 2017.

#### Note 8. Related Party Transactions

During 2018, the Company received a capital contribution of \$2,200,000 from its parent company. The Company then lent \$2,000,000 to FHS in order for FHS to pay down its liabilities. The remaining \$200,000 of capital contribution was reimbursement to the Company for cost of the capital raise associated with the capital contribution. The balance of the loan receivable with FHS was \$2,000,000 as of December 31, 2018. This amount is reported net of an allowance of \$1,500,000 in Due from FHS. Any excess funds returned by FHS must be used to pay down debt.

FHS provided certain billing related services to the Company's wholly owned units as well as to the Company's franchisees and Company-owned offices during the years ended December 31, 2018 and 2017. Collections of \$736,054 and \$839,011 were remitted to the Company by FHS during 2018 and 2017.

The Company has entered into a management agreement with an affiliated entity of a member of the Company to provide management and advisory services. The term of this agreement is five years with an annual fee. The Company recorded a management fee expense of \$250,000 for both years ended December 31, 2018 and 2017.

## Griswold International, LLC and Subsidiary

### Notes to Consolidated Financial Statements

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#### Note 8. Related Party Transactions (Continued)

Due from FHS represents amounts due to Griswold paid on behalf of FHS related to shared expenses. Amounts do not bear interest and are due on demand.

#### Note 9. Recent Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The ASU simplifies the measurement of goodwill impairment by eliminating the requirement that an entity compute the implied fair value of goodwill based on the fair values of its assets and liabilities to measure impairment. Instead, goodwill impairment will be measured as the difference between the fair value of the reporting unit and the carrying value of the reporting unit. The ASU also clarifies the treatment of the income tax effect of tax deductible goodwill when measuring goodwill impairment loss. ASU 2017-04 will be effective for the Company beginning on January 1, 2022. ASU 2017-04 must be applied prospectively with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 was issued in three parts: Section A, "Leases: Amendments to the FASB Accounting Standards Codification," Section B, "Conforming Amendments Related to Leases: Amendments to the FASB Accounting Standards Codification," and Section C, "Background Information and Basis for Conclusions." Under the new standard, the lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. The updated standard will be effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. The Company is currently evaluating the effect that the updated standard will have on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the consolidated statement of cash flows. ASU 2016-18 will be effective for the Company beginning on January 1, 2019. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB issued ASU 2015-14, which delayed the effective date by one year, making the revised standards effective for nonpublic entities beginning after December 15, 2018. Management is evaluating the provisions of this Update and has not determined the impact its adoption will have on the Company's financial position or results of operations.

#### Note 10. Litigation

The Company is party to certain litigation claims and assessments. Management believes that the ultimate resolution of these issues will not have a material impact on the Company's financial position or results of operations.

**THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT, PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

**Griswold International LLC**  
**Profit and Loss**  
**For the three months ended March 31, 2020**

<b>Revenue</b>	<b><u>\$5,135,820</u></b>
Operating Expenses	<b><u>\$3,673,228</u></b>
SGA	591,668
Other	95,083
Deprecation	53,050
Amortization	677,589
Interest Expense	371,599
Taxes	2,465
<b>Net Income</b>	<b><u>(328,861)</u></b>

**Griswold International LLC**  
**Balance Sheet as of March 31, 2020**

**ASSETS**

<b>Current Assets</b>		
	<b>Checking/Savings</b>	6,062,000
	<b>Accounts Receivable</b>	1,611,000
	<b>Other Current Assets</b>	<u>725,000</u>
	<b>Total Current Assets</b>	8,398,000
	<b>Fixed Assets</b>	585,000
	<b>Other Assets</b>	<u>30,316,000</u>
<b>TOTAL ASSETS</b>		<b><u>39,298,000</u></b>

**LIABILITIES & EQUITY**

<b>Liabilities</b>		
<b>Current Liabilities</b>		
	<b>Accounts Payable</b>	1,013,000
	<b>Other Current Liabilities</b>	<u>2,417,000</u>
	<b>Total Current Liabilities</b>	3,430,000
	<b>Long Term Liabilities</b>	<u>17,081,000</u>
	<b>Total Liabilities</b>	20,511,000
	<b>Equity</b>	<u>18,787,000</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b><u>39,298,000</u></b>

**EXHIBIT G**

**SAMPLE TERMINATION OF FRANCHISE AGREEMENT AND RELEASE  
UPON TRANSFER TO AN AUTHORIZED FRANCHISEE**

This Termination of Franchise Agreement and Release (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Griswold International, LLC, a Pennsylvania limited liability company with its principal business address at \_\_\_\_\_ ("Franchisor") and \_\_\_\_\_, a \_\_\_\_\_ with an address at \_\_\_\_\_ ("Transferor").

**BACKGROUND**

A. On \_\_\_\_\_, Transferor entered into a franchise agreement (the "Franchise Agreement") with Franchisor for the right to operate a Griswold Home Care franchised business located at \_\_\_\_\_ (the "Franchise").

B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the Franchise to \_\_\_\_\_, who has been approved by Franchisor as an authorized transferee.

C. In order to complete Transferor's sale of the Franchise, Transferor now desires to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Franchisor desires to accept such termination, pursuant to the terms of this Agreement.

**AGREEMENT**

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement and the Franchise Agreement, all rights and obligations between Franchisor and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor will remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to confidential information and non-competition.

3. Transferor represents and warrants that all of Transferor's monetary obligations to Franchisor, its affiliates, and its designated suppliers, have been satisfied in full as of the date of this Agreement.

4. Transferor, for itself and all persons and entities claiming by, through or under it, release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys' fees, actions or causes of action whatsoever, whether known or unknown, which Transferor, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, had, have

or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the Franchise, and the parties' rights or obligations under the Franchise Agreement.

5. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.

6. This Agreement will be construed under the laws of the Commonwealth of Pennsylvania, which laws will control in the event of any conflict of law.

7. This Agreement will be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

8. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

9. In the event that Franchisor retains the services of legal counsel to enforce the terms of this Agreement, it will be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Agreement.

10. Transferor agrees that it has and had a relationship with Franchisor in Pennsylvania and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement will be commenced and concluded in Pennsylvania pursuant to the mediation, venue, and jurisdiction provisions of the Franchise Agreement.

11. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement will not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement will be deemed to be effective as original signatures.

**[SIGNATURES ON FOLLOWING PAGE]**

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.**

**TRANSFEROR:**

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

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

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

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

**FRANCHISOR:**

GRISWOLD INTERNATIONAL, LLC

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

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

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

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

**EXHIBIT H**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

**Compliance Questionnaire**

You are preparing to enter into a Franchise Agreement with Griswold International, LLC (“us”, “we”, “Franchisor”) to operate a *GRISWOLD HOME CARE* Franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized and which may be misleading, different from or contrary to information in the Franchise Disclosure Document (“FDD”), untrue or inaccurate. Please review each of the following questions carefully and provide honest and complete responses to each question by placing your initials \_\_\_\_\_ in the proper box; for any response requiring additional information, feel free to turn over ↻ or add more sheets so that you have full opportunity to explain your response.

- 1. The date on which you received a Franchise Disclosure Document (“FDD”) was \_\_\_\_\_, 20\_\_\_. Franchisee's Initials \_\_\_\_\_.
  
- 2. Have you personally reviewed the FDD we provided to you?  
 Yes, I reviewed it.       No, I did not.
  
- 3. The date when you received a fully completed copy (other than signatures) of the Franchise Agreement you later signed was \_\_\_\_\_, 20\_\_\_. Franchisee's Initials \_\_\_\_\_.
  
- 4. Have you personally reviewed the Franchise Agreement and each exhibit attached to it (e.g.: logo, Territory Description and Map)?  
 Yes, I reviewed it.       No, I did not.

	IF YOU ANSWERED “NO” TO EITHER OF THESE QUESTIONS, <b>STOP</b> HERE.
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- 5. Do you understand all of the information contained in the FDD?  
 Yes, I understand.       No, I do not understand the following: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
  
- 6. Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it?  
 Yes, I understand.       No, I do not understand the following: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.
  
- 7. Have you discussed the benefits and risks of operating a Franchise with your attorney, accountant or other professional advisor or business coach and do you understand those risks?  
 Yes.       No.

8. Do you understand that the success or failure of your Franchise will depend upon your own personal skills and abilities, competition from other businesses, interest rates, inflation, recession, labor and supply costs, purchase decisions, lease terms and other economic and business choices and factors at least some of which are in your exclusive control?

Yes, I understand.       No, I do not understand the following:

9. Do you understand that federal and state legal requirements (including, without limitation, workers' compensation, unemployment insurance, and state tax requirements) are subject to change over time; may significantly affect how home health care employees and Caregivers are categorized for federal and/or state employment law purposes; that such changes may significantly affect your costs and expenses, the home health care business, and your Franchise; that the employment model GHC requires in your state is our best estimate as to such requirements; that such requirements may be subject to uncertainty and different interpretations; that such changes are unpredictable; and that compliance with such laws is your responsibility.

Yes, I understand.       No, I do not understand the following:

10. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, make any statement or promise concerning the revenues, profits or operating costs of a Franchise that does not comport with the information contained in the FDD?

No.       Yes, identify the individual(s) and statement or promise here: \_\_\_\_\_

\_\_\_\_\_.

11. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, made any statement or promise concerning the Franchise that is contrary to, or different from, the information contained in the FDD?

No.       Yes, identify the individual(s) and statement or promise here: \_\_\_\_\_

\_\_\_\_\_.

12. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, make any statement or promise regarding the amount of money you may earn in operating a Franchise other than the information contained in the FDD?

No.       Yes, identify the individual(s) and statement or promise here: \_\_\_\_\_

\_\_\_\_\_.

13. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, make any statement or promise concerning the total amount of revenue a Franchise will generate contrary to or different from the information contained in the FDD?

No.       Yes, identify the individual(s) and statement or promise here: \_\_\_\_\_

\_\_\_\_\_.

14. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, make any statement or promise regarding the costs you may incur in operating a Franchise that is contrary to, or different from, the information contained in the FDD?

No.       Yes, identify the individual(s) and statement or promise here: \_\_\_\_\_

\_\_\_\_\_.

15. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, make any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchise?

No.       Yes, identify the individual(s) and statement, promise or other agreement here: \_\_\_\_\_

\_\_\_\_\_.

16. Has any employee or other person speaking on our behalf, including any broker or other person who has referred you to us, made any statement, promise, or agreement other than the Franchise Agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the FDD?

No.       Yes, identify the individual(s) and statement, promise or other agreement here: \_\_\_\_\_

\_\_\_\_\_.

17. Do you understand that in all dealings and communications with you, our officers, directors, employees and agents act *only* in a representative capacity and not in any individual or personal capacity, and that such dealings are solely between you and the Franchisor?

Yes, I understand that.       No, I do not understand that.

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Your Responses are not intended to act, nor shall they act, as a release, estoppels or waiver of any liability incurred under applicable state Franchise Registration and/or Disclosure Law. However, your answers are important to use and we will rely upon them in granting you a franchise.

**BY SIGNING HERE, YOU ARE ANSWERING THAT YOU HAVE RESPONDED TRUTHFULLY TO ALL QUESTIONS**

\_\_\_\_\_  
*Franchise candidate signature here,*

WITNESS: \_\_\_\_\_

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

**EXHIBIT I**  
**ASSIGNMENT AND ASSUMPTION AGREEMENT**

## Assignment and Assumption Agreement

**THIS ASSIGNMENT AND ASSUMPTION AGREEMENT** (the “Assignment”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Griswold International, LLC, a Delaware limited liability partnership (“GHC”), **[insert name of franchisees]** (collectively “Assignor”) and **[insert name of corporation or limited liability company]**, an entity owned and controlled by Assignor with an address at \_\_\_\_\_ (“Assignee”).

### BACKGROUND

A. GHC and Assignor entered into a certain Franchise Agreement dated **[insert date of Franchise Agreement]** attached as Exhibit “A” to this Assignment (the “Franchise Agreement”) whereby Assignor was granted the right and undertook the obligation to operate a *GRISWOLD SPECIAL CARE*<sup>®</sup> franchised business at the following location **[insert location]** (the “Franchise”), within the following Territory: \_\_\_\_\_;

B. Assignor has formed Assignee for the convenience and purpose of owning and operating the Franchise;

C. Assignor desires to assign his or her rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement; and

D. GHC is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Assignment, including without limitation, Assignor’s agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement.

### AGREEMENT

In consideration of the mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. **ASSIGNMENT.** Assignor hereby assigns and transfers over to Assignee all of Assignor’s rights, title and interest in and to the Franchise Agreement, effective as of the date of this Assignment.

2. **ASSUMPTION.** Assignee hereby assumes all of Assignor’s obligations, assignments, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by, observe, faithfully perform all of the obligations, assignments, commitments, and duties of Assignor and its guarantors under the Franchise Agreement with the same force and effect as if the Franchise Agreement were originally written with Assignee as franchisee.

3. **CONTINUING OBLIGATION.** Assignor agrees that Assignor shall continue to be bound by all of the terms and conditions of the Franchise Agreement, including, without limitation, all non-competition, confidentiality, and indemnification obligations, and that nothing contained in this Assignment will be deemed to relieve Assignor of any of Assignor's obligations contained in the Franchise Agreement. Assignor further agrees to, and by this instrument does hereby guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement. Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to GHC (i) that Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement and any other agreement between Assignor and GHC or its affiliates concerning the operation of the Franchise, and (ii) that if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing GHC and all damages that may arise as a result of any such non-compliance.

4. **RELEASE.** Assignor, for itself and all persons and entities claiming by, through or under it, releases acquits, and forever discharges Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the "Franchisor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Assignor, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the Franchise, and the parties' rights or obligations under the Franchise Agreement.

5. **ENFORCEMENT.** In the enforcement of any of its rights against Assignor, GHC may proceed as if Assignor was the primary obligor under the Franchise Agreement. Assignor waives any right to require GHC to first proceed against Assignee or to proceed against or exhaust any security (if any) held by GHC or to pursue any other remedy available to it before proceeding against Assignor. No dealing between GHC and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Assignor hereunder, in whole or in part, and in particular and without limiting the generality of the foregoing, GHC may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as GHC may see fit without affecting, lessening or limiting in any way the liability of Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmance or disclaimer of this Assignment or the Franchise Agreement, Assignor shall continue to be fully liable.

6. **DISPUTE RESOLUTION.** This Assignment shall be governed by the dispute resolution provisions described in Section 19 of the Franchise Agreement. Assignor and Assignee acknowledge and agree that for purposes of this Assignment, the use of the term "Franchisee" shall refer to Assignor and Assignee.

7. **COVENANTS.** Assignor and Assignee as participants in the Griswold Special Care® system will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that GHC has developed. Therefore, to protect such information, Assignor and Assignee, and Assignor or Assignee's principals shall be bound by and comply with the confidentiality obligations, non-competition and non-solicitation obligations, and warranties described in Sections 10, 17, and 20.2 of the Franchise Agreement. Assignor and Assignee acknowledge and agree that for purposes of this Assignment, the use of the term "Franchisee" shall refer to Assignor and Assignee.

8. **INTENT AND ENFORCEMENT.** It is the parties' intent that the provisions described in the above Section 7 shall be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained therein shall not render any other part unenforceable. In the event of the actual or threatened breach of Section 7 by Assignor or Assignee, or any of Assignor or Assignee's principals, GHC shall be entitled to an injunction restraining such person from any such actual or threatened breach. Assignor or Assignee agree that in the event of the actual or threatened breach of Section 7, GHC's harm will be irreparable and that GHC has no adequate remedy at law to prevent such harm. Assignor or Assignee acknowledge and agree on Assignor or Assignee's own behalf and on behalf of the persons who are liable under Section 7 that each has previously worked or been gainfully employed in other careers and that the provisions in Section 7 in no way prevent any such person from earning a living. Assignor or Assignee further acknowledge and agree that the time limitation of Section 7 shall be tolled during any default under Section 7.

9. **BINDING EFFECT.** This Assignment shall be binding and inure to the benefit of the parties and their respective heirs, successors and assigns.

10. **ENTIRE AGREEMENT.** The Franchise Agreement and this Assignment shall constitute the entire integrated assignment between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

11. **ATTORNEYS' FEES.** In the event that it becomes necessary for GHC to retain the services of legal counsel to enforce the terms of this Assignment, GHC shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Assignment.

12. **REVIEW.** Each party declares that the terms of this Assignment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain, and confer with counsel. This Assignment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Assignment.

13. **BENEFICIARIES.** GHC's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Assignment, each having authority to

specifically enforce any rights granted to GHC herein, and the right to mediate and arbitrate claims asserted against such person(s) by Assignor or Assignee you.

14. **AUTHORITY.** The persons executing this Assignment on behalf of Assignee acknowledge their authority to do so.

15. **JOINT AND SEVERAL LIABILITY.** The obligations of Assignor and Assignee under this Assignment are joint and several.

**I HAVE READ THE ABOVE AGREEMENT AND THE FRANCHISE AGREEMENT AND UNDERSTAND ITS TERMS.**

**I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.**

**[SIGNATURE PAGE TO FOLLOW]**

**IN WITNESS WHEREOF**, the undersigned have affixed their signatures hereto as of the day and date first above written.

Attest:

**GRISWOLD INTERNATIONAL, LLC**

\_\_\_\_\_

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

**ASSIGNOR**

\_\_\_\_\_  
Witness                      Date

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Witness                      Date

\_\_\_\_\_  
Individually

\_\_\_\_\_  
Witness                      Date

\_\_\_\_\_  
Individually

**ASSIGNEE**

Attest:

[NAME OF CORPORATION OR LLC]

\_\_\_\_\_

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

Date

**EXHIBIT J**  
**STATE EFFECTIVE DATES**

**(See attached.)**

## **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT K  
RECEIPT – YOUR COPY**

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 Griswold International, 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 and Oregon require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Griswold International, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document.

Griswold International, LLC has authorized the agents listed in Exhibit A to receive service of process on its behalf.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

- Nicole Kosmaceski, \_\_\_\_\_, (267) 448-5051.
- \_\_\_\_\_
- \_\_\_\_\_
- Broker, if any: \_\_\_\_\_  None

Issuance Date: **April 30, 2020**

I have received a Franchise Disclosure Document dated **April 30, 2020** that included the following exhibits:

A.	List of State Administrators and Agents for Service of Process	E.	List of Current and Former Franchisees
B-1.	Franchise Agreement	F.	Financial Statements
B-2.	Addendum For Existing Franchisees	G.	Sample General Release for Assignment of Agreement
B-3.	Collateral Assignment of Lease/Consent and Agreement of Lessor	H.	Franchisee Disclosure Questionnaire
B-4.	Conditional Assignment of Franchisee’s Telephone Number	I.	Assignment and Assumption Agreement
C.	Table of Contents of Operations Manual	J.	State Effective Dates
D.	State Disclosure Addenda and Agreement Amendments	K.	Receipt

\_\_\_\_\_  
Date

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**RECEIPT – OUR COPY**

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 Griswold International, 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 and Oregon require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Griswold International, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document.

Griswold International, LLC has authorized the agents listed in Exhibit A to receive service of process on its behalf.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

- Nicole Kosmaceski, \_\_\_\_\_, (267) 448-5051.
- \_\_\_\_\_
- \_\_\_\_\_
- Broker, if any: \_\_\_\_\_  None

Issuance Date: **April 30, 2020**

I have received a Franchise Disclosure Document dated **April 30, 2020** that included the following exhibits:

A.	List of State Administrators and Agents for Service of Process	E.	List of Current and Former Franchisees
B-1.	Franchise Agreement	F.	Financial Statements
B-2.	Addendum For Existing Franchisees	G.	Sample General Release for Assignment of Agreement
B-3.	Collateral Assignment of Lease/Consent and Agreement of Lessor	H.	Franchisee Disclosure Questionnaire
B-4.	Conditional Assignment of Franchisee’s Telephone Number	I.	Assignment and Assumption Agreement
C.	Table of Contents of Operations Manual	J.	State Effective Dates
D.	State Disclosure Addenda and Agreement Amendments	K.	Receipt

\_\_\_\_\_ Date

\_\_\_\_\_  
Your name printed here

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Your signature here