



FIRST DAY FRANCHISING, LLC

FRANCHISE DISCLOSURE

DOCUMENT

**ISSUANCE DATE: MARCH
15 APRIL 14, 2024, AS AMENDED
ON JUNE 17, 2024 2025**

FRANCHISE DISCLOSURE DOCUMENT



First Day Franchising, LLC
A Michigan limited liability company
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Flint MI 48507
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The franchise that we offer is for a First Day Homecare franchise, an in-home care business that provides home care services that include Personal Care Services, Private Duty Nursing, and Pediatric Applied Behavioral Analysis (ABA) Therapy, and other services using our system and under First Day Homecare Franchise marks and, other services and products (each, a “Franchised Business” or “First Day Homecare Franchise.”)

The total investment necessary to begin operation of a First Day Homecare Franchise under a franchise agreement is between \$~~109,050~~ 138,780 and \$~~200,200~~248,080. This includes \$70,000 that must be paid to the franchisor or its affiliates for a standard .single Franchise Territory.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Emily Wiechmann, Founder & CEO, First Day Franchising, LLC, 4444 W Bristol Rd, Suite 100, Flint Michigan 48507.

The terms of your contract will govern your franchise relationship. Do not rely on the 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 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: ~~March 15~~April 14, 2024, as amended on June 17, 2024 2025

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 Michigan. 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 Michigan than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all your financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty, **ADVERTISING**[advertising](#), and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

First Day Franchising, LLC, franchisor of the First Day Homecare franchise is referred to in this franchise disclosure document (the “Disclosure Document”) as “we”, “us”, “our” and “First Day Homecare” as the context requires. A franchisee is referred to in this Disclosure Document as “you” and “your” as the context requires. If you are a corporation, partnership, or other legal entity (a “Corporate Entity”), our Franchise Agreement will also apply to your individual owners, shareholders, members, officers, directors, and other principals.

The Franchisor

We are First Day Franchising, LLC, a Michigan limited liability company established on May 19, 2022. Our principal place of business is 4444 W. Bristol Rd., Suite 100, Flint, Michigan 48507. We conduct business under our corporate name and under the trade name “First Day Homecare” and “First Day ABA Therapy”. We began offering franchises in July 2023. Our sole business is operating the First Day Homecare franchise system and granting franchises to third parties.

Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, we have not previously , nor do we currently , conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

Parents, Predecessors and Affiliates

We do not have any parents or predecessors.

Our affiliate, First Day Homecare, LLC, a Michigan limited liability company established on March 6, 2020. Its principal place of business is 4444 W. Bristol Rd., Suite 100, Flint, Michigan 48507. Our affiliate operates a First Day Homecare business similar to the Franchises we offer in this Disclosure Document. In this Disclosure Documents, we refer to this business as the “Company-Owned Outlet.” The Company- Owned Outlet does not offer franchises in this or any other line of business and does not provide products or services to our franchisees. Our Company-Owned Outlet will serve as the training and development model for our franchisees.

The Franchised Business

We license a system (the “System”) for the operation of a First Day Homecare Franchise that provides children and their families with Personal Care Services, Private Duty Nursing, and Pediatric Applied **Behavioral Behavior** Analysis (ABA) Therapy, and other services using our system and under First Day Homecare marks and, other services and products and other services and products (the “Approved Services and Products”) using our First Day Homecare trademark and logos, and programs, materials, office equipment, products, software, systems, and supplies that we designate (the “System Supplies”). Some First Day Homecare franchisees offer all services, and some do not. For example, not all franchisees provide Private Duty Nursing in-home care services where state regulations prevent their ability to do so (as further described below) or where Certificate of Need laws do not allow some or all medical skilled services. You are required to offer both Personal Care Services and Private Duty Nursing through your Franchised Business. You may also offer Pediatric Applied Behavior Analysis (ABA) Therapy upon request and approval by us.

The System is presently identified by the First Day Homecare trademark and, such other First Day Homecare

the Approved Services and Products, and the System Supplies as same may presently exist and, as we may modify, add to and/or discontinue from time to time. You are required to purchase the System Supplies through us, our affiliates, or our designated approved suppliers. The System also requires that you operate your First Day Homecare Franchise in conformity with the specifications, procedures, criteria, and requirements that we designate in our confidential operations manual and other proprietary manuals that we designate and, as we may, from time to time, supplement and modify (collectively, the “Manuals”).

Franchise Agreement

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate your First Day Homecare Franchise within a designated Franchise Territory and in conformity with the requirements of our System. At the time of signing the Franchise Agreement we will designate a geographic area comprising your Franchise Territory where you will offer and provide our approved System Services and Products using only our designated System Supplies.

Market and Competition

The general market for the services and products offered by a First Day Homecare Franchise typically includes providing community-based home care services to medically complex children. The market for individuals with medical home care services **that may** include Personal Care Services, and Pediatric Applied **Behavioral Behavior** Analysis (ABA) Therapy, and other services using our system and under the First Day Homecare marks is highly competitive and is not seasonal in nature. In addition to the other services mentioned, First Day Homecare offers Private Duty Nursing services which are not as competitive or as highly developed as some of the other home care services we offer. You will be competing with many local and independently owned service providers including businesses offering similar **medical** services. The Franchised Business will also compete with large national, franchised and independently owned businesses that offer and provide services that are competitive with the Franchised Business.

Industry Specific Laws

Regulations Related to Ownership

Many states have laws restricting ownership and control of medical practices by lay persons or corporations (commonly referred to as the corporate practice of medicine doctrine, or “CPOM”). A state’s CPOM doctrine can include a wide range of restrictions such as prohibiting a lay person or corporation from employing a physician to practice medicine and collecting the professional fees, restricting the ownership percentage of a practice that can be physician, non-physician provider such as a nurse practitioner, or lay person, and who can serve in management positions. The ownership and control restrictions applicable in your state may determine the structure for your Franchised Business, including whether you have to operate your business as under a master services provider model. CPOM restrictions can also dictate the manner in which funds must flow within your franchise structure, especially if operating using a structure where funds need to follow a specific route from professionals to non-professionals. Under no circumstance may a lay person (including you as an owner if un ed) administer, control, influence, or direct the supervision, administration, delivery, or performance of medical or other services required to be performed or supervised by Licensed Personnel.

Anti-Kickback Regulations

Numerous federal and state “anti-kickback” regulations (including Medicare and Medicaid regulations) prohibit the receipt of compensation or fee-splitting in exchange for referring patients to licensed health care providers. In addition, the federal “Stark I” and “Stark II” laws and comparable state laws may prohibit you from filing a claim with Medicare or any other governmental or third-party payer if you or your business has a financial relationship with a physician (or an immediate family member of a

meet the statutory safe harbors or exceptions under these federal and state laws. Compensation arrangements should be based on the fair market value of the bona fide services that are provided and not based on the volume or value of referrals between you and the licensed medical professional. Violations of federal or state fraud and abuse laws can result in serious criminal and civil penalties.

Privacy Regulations

Various federal and state laws regulate the privacy and security of patient healthcare information. For example, under the federal Health Insurance Portability and Accountability Act (“HIPAA”), and the federal Health Information Technology for Economic and Clinical Health Act (“HITECH”), healthcare professionals have certain legal obligations to keep patient healthcare information confidential and must disclose that information to patients and third parties when requests are properly submitted. In addition, you must ensure the privacy and security of patient healthcare information you share with any “business associate,” as defined in HITECH. HITECH requires that any practice subject to federal law have a HIPAA compliance plan addressing the policies and procedures for security and privacy of patient health information. Many states also have laws regulating the privacy and security of patient healthcare information and these laws may impose even greater restrictions and obligations on your business regarding the privacy and security of patient healthcare information.

You should be particularly aware of the various federal, state, and local statutes, rules, regulations, ordinances, requirements, directives, and guidance relating specifically to the furnishing of health care services and items (“Health Care Requirements”). Health Care Requirements impose restrictions and requirements relating to many aspects of the rendering of health care services and items, including those relating to the following: health care facility licensing; billing; claims submission and reimbursement; patient rights and privacy; personnel qualifications and licensing; and fraud and abuse. Violations of Health Care Requirements may subject a person or entity to both civil and criminal liability. This discussion of Health Care Requirements is not a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. Our System requires you to manage your Franchised Business in full compliance with all applicable laws, including Health Care Requirements. We are not responsible for notifying you of changes to the laws and Health Care Requirements summarized in this Disclosure Document. You are solely responsible for investigating and monitoring all changes and for keeping abreast of new Health Care Requirements.

You must secure and maintain in force all required licenses, permits, and certificates relating to the operation of the Franchised Business and the other licenses applicable to your Franchised Businesses personnel (whether you decide to employ or otherwise engage such individual personnel). You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. Each state also has regulatory authorities that determine rules and regulations governing the practice of certain licensed professions and the scope of services that may legally be offered by those members. The laws and regulations generally include requirements for state licensure and registration to work as health care providers in the state where the Franchised Business is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. These laws and regulations vary from state to state and may change over time.

If you are awarded a franchise under this Disclosure Document, you must agree that (i) we are not engaging in the practice of any profession or business that requires specialized training, certification, license, or educational degree and (ii) the Franchise Agreement does not and may not be construed to interfere, limit, or otherwise affect the independent exercise of judgment (medical or otherwise) in connection with the Services by individuals that you engage to provide those Services that constitute “medical services” at your Franchised Business. You are solely responsible, at your own expense, for investigating and complying with all laws, regulations, and rules in the state where you wish to manage a Franchised Business including laws that regulate the corporate practice of medicine, related “captain-of-the-ship” regulations and the sharing of patient payments.

Other Important Regulations

You must comply with all state and local laws and regulations regarding the operation of your Franchised Business. In some states, if you intend to offer Private Duty Nursing services, you will be required to obtain a Certificate of Need prior to offering these services. The Certificates of Need places a burden on you to demonstrate to the local jurisdiction a need for the services which you intend to offer. If you are unable to adequately demonstrate a need for your services in that area, you will not be permitted to offer them. We encourage you to research the rules and regulations of your jurisdiction prior to commencing services. You will be required to enroll in state and/or federal reimbursement programs, such as Medicaid or Medicare. In some cases, the Center for Medicare and Medicaid Services may occasionally restrict new enrollments of new providers and suppliers of home health services.

ITEM 2 BUSINESS EXPERIENCE

Emily Wiechmann, RN, BSN - Co-Founder & CEO

Ms. Wiechmann has served as our Chief Executive Office and Co-Owner since our inception in May, 2022. **Prior to her current role, she worked from** From June, 2018 to March, 2020, Ms. Wiechmann served as Clinical Program Manager for Best Life Brands. Ms. Wiechmann also owns First Day Homecare, LLC, where she served as the Director of Clinical Services from March, 2020 to May, 2022. Ms. Wiechmann serves in all her current capacities from our offices in Flint, MI.

Harvey Mathews- Co-Founder & COO CFO

Mr. Mathews is a Co-Owner and has served as our **COO CFO** since our inception in May, 2022. Mr. Mathews worked as a Database Manager for Artemis from November, 2018 to December, 2021. He continued his work in database management as an employee for Nomi Health from December, 2021 to June, 2023. Additionally, Mr. Mathews is the Owner and Administrator of First Day Homecare in Flint, MI since March, 2020.

Tim King – Partner & COO

Mr. King is a partner and has served as our Chief Operating Officer since September 2024. Prior to this role, he was the VP of Operations at Agworld from July 2020 to September 2024. From January 2020 to July 2020, he worked with multiple different companies as a consultant. Mr. King serves in his current role from our offices in Flint, MI.

Danielle Clemons – Training Manager

Danielle Ms. Clemons is an Operations has held her current role of Training Manager at First Day Franchising since October 2024. Prior to this role, she served as the Administrator at First Day Homecare from November, 2020 to present October 2024. Before her current role, she She also previously worked at PMC Staffing (First Day Homecare) as a Home Health Aide/Personnel Coordinator from July, 2020 to November, 2020. Ms. Clemons worked as a 6th Grade Teacher at Davison Community Schools from August, 2019 to August, 2020.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

**ITEM 5
INITIAL
FEES**

Initial Franchise Fee

Single Territory

When you sign your Franchise Agreement, you must pay to us the initial franchise fee (“Franchise Fee”), which is due upon the signing of our Franchise Agreement and is considered fully earned by First Day Franchising upon payment. **The Franchise Fee includes your license to operate the Franchised Business.** This Franchise Fee is not refundable, in whole or in part, under any circumstances. ~~The initial Franchise Fee is calculated and applied uniformly to all our franchisees.~~ **The method we use to calculate the Franchise Fee is uniform for all franchises that we offer through this Disclosure Document. The Franchise Fee includes a Franchise Territory with a population of around 350,000 to 400,000 people. You may purchase additional Territories based on the table below. Upon approval by us, you may also purchase additional population for \$0.20 per person.**

The Franchise Fee includes a Territory with a minimum population of 350,000 people. You may purchase additional Territories, and your Franchise Fee will be as described in the table below.

Number of Territories	Population	Territory Price	Total
1	350,000	\$70,000	\$70,000
2	700,000	\$65,000	\$135,000
3	1,000,000	\$60,000	\$195,000

Other than as disclosed below, the Franchise Fee is calculated and applied uniformly to all our franchisees. During the previous fiscal year ending December 31, 2024, we collected franchise fees ranging from \$30,000 (our first franchisee received a discount from our prior Franchise Fee) to \$195,000 for a 3-pack.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the **franchise agreement.** **If the franchise offering includes an area development agreement, add: "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.**Franchise Agreement."

**ITEM 6
OTHER
FEES**

Type Of Fee ¹	Amount	Due Date	Remarks
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Royalty Fee	The greater of (i) 5% of your monthly Gross Revenue ³ , or (ii) the Minimum Monthly Royalty ²	Paid monthly, via electronic funds transfer	This payment will be debited automatically from your business bank through ACH by the 5 th of the month. We collect the Royalty Fee on a 90-day delay. For example, the Royalty Fee on the Gross Revenue generated from Jan. 1 – Jan. 31 will be collected on May <u>April</u> 1.
National Brand Development Fund	Currently 1% of Gross Revenue Up to 2% of Gross Revenue	Monthly payment to us, via electronic funds transfer.	This payment will be debited automatically from your business bank through ACH.
Local Area Marketing Requirement	Currently, a minimum <u>Minimum</u> of \$1,200 per month	As incurred.	You must spend at least \$1,200 per month on local area marketing. Currently, \$275, which shall be credited towards the Local Area Marketing Requirement must be paid to us for a dynamic landing page and SEO management. You may You may spend additional amounts on pre-approved promotions and marketing, as well as lead generation and caregiver recruitment. All

Type Of Fee ¹	Amount	Due Date	Remarks
			<u>spend additional amounts on pre-approved promotions and marketing, as well as lead generation and caregiver recruitment. All marketing, promotions and lead generations must be conducted within your Franchise Territory. We may increase this amount on an annual basis to keep pace with cost-of-living/market rate increases.</u>
First-Year EMR Subscription Fee	\$600	Monthly	During your first year, you will pay us for your EMR subscription. Starting in your second year, the EMR provider will bill you directly for the subscription.
Technology Fee	\$300	Monthly	This payment will be debited automatically from <u>you your</u> business bank monthly through ACH .
Customer Service and Refunds ⁴	Our costs and expenses in reimbursing or refunding a customer on your behalf	On demand	This payment will be debited automatically from your business bank through ACH. See, Notes 1 and 8.
<u>and Refunds ⁴</u>	<u>expenses in reimbursing or refunding a customer on your behalf</u>		<u>automatically from your business bank through ACH. See, Notes 1 and 4.</u>
Initial Training for Additional Employees	Our then current training fee, plus expenses. Our current fee is \$0 for your managing owner and one of your managers, and \$300 per person per day for each additional trainee requested by you.	On demand	Under our pre-opening initial training program, we will train you or your managing owner and one of your designated managers at no additional charge. If you request that we provide our initial training program to additional managers, either before or after the opening of the Franchised Business, we may require you to pay our then current training fee. Initial training is conducted at facilities that we designate, and you must pay for all other expenses of your trainees, including salary, travel, and accommodation. <u>Under our pre-opening</u> <u>initial</u>
<u>for Additional Employees</u>	<u>training fee, plus expenses. Our current fee is \$0 for your managing owner and one of</u>		<u>training program, we will train you or your managing owner and one of your designated managers at no additional charge. If you request that we provide our initial training</u>

	<u>your managers, and \$300 per person per day for each additional trainee requested by you.</u>		<u>program to additional managers, either before or after the opening of the Franchised Business, we may require you to pay our then current training fee. We may increase the fee on an annual basis to keep pace with cost-of-living/market rate increases. Initial training is conducted at facilities that we designate, and you must pay for all other expenses of your trainees, including salary, travel, and accommodation.</u>
<u>Supplemental On-Site Training</u>	<u>Our then current daily rate per trainer, plus expenses. There is a two-day minimum for</u>	<u>On demand</u>	<u>Following participation in our initial training program and the opening of the Franchised Business, if you request that we provide training or assistance on-site at your Franchise</u>
Supplemental On-Site Training	<u>Our then current daily rate per trainer, plus expenses. There is a two-day minimum for assistance. Our current daily trainer rate is \$300 per day</u>	On demand	<u>Following participation in our initial training program and the opening of the Franchised Business, if you request that we provide training or assistance on-site at your Franchise Business, we may require that you pay our then current fee for each trainer. You must also reimburse us for our trainer(s) expenses including travel and accommodation.</u>
	<u>current daily trainer rate is \$300 per day</u>		<u>our then current fee for each trainer. You must also reimburse us for our trainer(s) expenses including travel and accommodation. On an annual basis, we may increase the rate to keep pace with cost-of-living/market rate increases.</u>
<u>National or Regional Account</u>	<u>Varies between 1%-10% of Gross Revenues for the account</u>	<u>As Invoiced</u>	<u>When we handle billing or invoicing on national account clients, we charge this fee to cover our costs for administering the work and billing</u>

<u>Type Of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
National or Regional Account	Varies between 1%-10% of Gross Revenues for the account	As Invoiced	When we handle billing or invoicing on national account clients, we charge this fee to cover our costs for administering the work and billing and invoicing the client. We determine the fee for each job based on the size of the load and our arrangement with the national account.
<u>Type Of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Encroachment Fee	5% of Gross Revenue earned in encroached territory	14 days of invoice	In the event you conduct services in another franchisee's Territory, you must pay them 5% of the Gross Revenue derived from the services you provided in their Territory. A franchisee who has rights to that Protected Territory retains the right of first refusal and may prevent you from offering services in their space, so long as they provide the requested services to the client.
Annual Conference	Up to \$1,200 per person	On demand, prior to conference	This payment will be debited automatically from your business bank through ACH in the event we require your participation in an Annual Conference. The fee charged to you for attendance at the annual conference shall not exceed \$1,200.
Reporting Non-Compliance	\$150 per occurrence	14 days of invoice	Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement.
Operations Non-Compliance	\$450 to \$1,000 per occurrence	14 days of invoice	Payable for failure to comply with operational standards as required and specified under Franchise Agreement, plus inspection and re-inspection costs incurred by us.
Payment Non-Compliance	\$150 per occurrence	On demand	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
Interest	18% per annum from due date	On demand	Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.

Audit	Cost of audit	On demand	For costs incurred by us for each financial audit, provided the audit determines underreporting of 2% or greater during any designated audit period. Includes fees incurred by us including audit, legal, travel and reasonable accommodations.
Quality Assurance Audit	Actual costs incurred by us	As invoiced	Payable if we engage a third-party to perform periodic quality assurance audits, including mystery shopper programs.

<u>Type Of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			<u>audits, including mystery shopper programs.</u>
Transfer	\$10,000	Prior to the date of transfer	All transfers are subject to our approval and require the transferee's satisfaction of our training
Type Of Fee¹	Amount	Due Date	Remarks <u>approval and require the transferee's satisfaction of our training requirements.</u>
Renewal	\$5,000 <u>10% of the current franchise fee</u>	Upon signing renewal franchise agreement	If we approve renewal of your Franchise Agreement, at the time of renewal, you will be required to sign our then current Franchise Agreement and pay the renewal fee.
Collections	Actual fees, including attorneys' fee, costs, and expenses	On demand	For costs and expenses incurred by us in collecting fees due to us, and/or to enforce the terms of the franchise agreement or a termination of the franchise agreement. Includes costs and expenses of re-inspections required by quality assurance audit.
NSF Check Fee of Failed Electronic Fund Transfer	5% of amount or \$50 whichever is greater or maximum fee allowed by law	On demand	Applies to payment of Royalty Fees and Advertising Contributions and any other payments to us.
<u>Failed Electronic Fund Transfer</u>	<u>whichever is greater or maximum fee allowed by law</u>		<u>and Advertising Contributions and any other payments to us.</u>
Non-compliance	Amount of fees, costs and/or expenses that we incur in connection with your non-performance of your obligations under the Franchise Agreement. Includes attorney fees	Within 14 days of our invoice	You must pay to us and reimburse us for all costs, fees and expenses that we incur as a result of or in connection with your breach of the Franchise Agreement. This includes legal, mediation, and arbitration fees, expenses, and costs that we incur and legal fees that we incur with outside legal counsel and costs associated with services and work performed by our own in-house legal staff.
<u>Supplier Review and Implementation</u>	<u>\$100 per hour based on time spent reviewing, approving, and</u>	<u>Within 14 days of invoice</u>	<u>As determined by us, in our reasonable business judgment, we may charge an hourly fee for our time in reviewing, approving and/or</u>
Supplier Review and Implementation	\$100 per hour based on time spent reviewing,	Within 14 days of invoice	As determined by us, in our reasonable business judgment, we may charge an hourly fee for our

	<p>approving, and implementing an alternative supplier plus our actual costs.</p> <p><u>alternative supplier plus our actual costs.</u></p>		<p>time in reviewing, approving and/or implementation of an alternative supplier. We may require your submission of samples and specifications.</p> <p><u>supplier. We may require your submission of samples and specifications.</u></p>
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Notes:

1. Type of Fee – The above table describes fees and payments that you must pay to us, our affiliates, or that our affiliates may impose or collect on behalf of a third party. All fees are uniformly imposed for all franchises offered under this Disclosure Document, are recurring, are not refundable, and are payable to us, unless otherwise specified. Payment is subject to our specifications and instructions, including our election to have all fees automatically drafted from your business bank account or automatically debited or charged to your business bank account. You will be required to sign an ACH authorization form (**Franchise Agreement**, Exhibit **5J to this Disclosure Document**) permitting us to electronically debit your designated bank account for payment of all fees payable to us and/or our affiliates. You must deposit the Gross Revenue of your First Day Homecare

Franchise into the designated bank accounts that are subject to our ACH authorization. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

If a cooperative is established our own company-owned outlets will not have any voting rights as to the determination of any fees and/or charges.

2. **2. Royalty Fees** – You must pay us a continuing royalty fee (the “Royalty Fee”). The Royalty Fee is a monthly fee based on a percentage of the monthly Gross Revenue (defined in Note #3 below) of the Franchised Business or the Minimum Monthly Royalty described in the following Minimum Monthly Royalty schedule (the “Royalty Rate(s)”). If any federal, state or local tax other than an income tax is imposed on the Royalty Fee which we cannot directly and, dollar for dollar, offset against taxes required to be paid under any applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount or net effective rate received by us is not less than that which has been established by the Franchise Agreement and which was due to us on the effective date of the Franchise Agreement.

Minimum Monthly Royalty Schedule	
Months After Signing The Franchise Agreement <u>Business Commencement Date</u>	Minimum Monthly Royalty
0 to 6 months	\$0
7 to 12 months	\$500 per month
13 months through remainder of Term	\$1,000 per month

3. **3. Gross Revenue** – “Gross Revenue” means the total dollar sales from all business and customers of your First Day Homecare Franchise and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or corporate entity from business conducted or which started in, on, from or through your First Day Homecare Franchise and/or your Franchise Territory, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross Revenue includes the total gross amount of revenues and sales from whatever source derived from and/or derived by you (including any person and/or corporate entity acting on your behalf) from business conducted within and/or outside your Franchise Territory that is related to your First Day Homecare Franchise and/or a competitive business located and/or operated within your Franchise Territory, outside your Franchise Territory, and/or otherwise. Gross Revenue does not include sales or use taxes collected by you.

4. **4. Customer Service and Refunds** – This fee will be based on the costs incurred by us, including refunds and credits that we may undertake on behalf of a customer that was not satisfied with the services or products of your First Day Homecare Franchise. You must guarantee your services to your customers. If we determine that your customer is entitled to reimbursement of fees paid to you, we may reimburse your customer directly. You must reimburse us for the amounts that we reimburse your customer.

[Remainder of page intentionally left blank. Item 7 begins next page.]

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$70,000	\$70,000	Lump sum	Upon execution of Franchise Agreement	Us
Travel and Lodging for Initial Training ²	\$500	\$4,000	As incurred	Before opening	Third party
Leasehold Improvements ³	\$0	\$30,000	As arranged	As incurred	Vendors
Furniture and Fixtures ⁴	\$500	\$5,000	As arranged	Prior to commencing	Vendors
Signage ⁵	\$500	\$2,000	Lump sum	Prior to commencing operations	Vendors
Technology Fee and POS EMR	\$2,700.580	\$2,700.580	As billed	Before opening	Third party
Computer System ⁷	\$0	\$2,500	As incurred	Prior to commencing operations	Third Party
Three Months' Rent and Security	\$4,000	\$12,000	Lump sum	Before opening	Landlord
Licenses ⁹	\$250.200	\$5,000	As incurred	Prior to commencing operations	Government authorities
Opening inventory and supplies ¹⁰	\$1,500	\$2,500	As incurred	Prior to commencing operations	Vendors
Accreditation ¹¹	\$5,000	\$15,000	As incurred	Prior to commencing operations	Appropriate authorities
Learning Management	\$1,500	\$2,500	As arranged	Prior to commencing operations	Vendors
Insurance Deposits and Premiums ¹³	\$1,600.100	\$3,000.250	As arranged	Varies	Insurance companies
Professional Fees ¹⁴	\$1,000.500	\$5,000.100	As billed	Before opening	Third parties, including attorneys, accountants, and architects
Additional Funds – Initial period of 3 months ¹⁵	\$20,000 \$40,000	\$40,000 \$60,000	As incurred	Before opening	Us, approved vendors, utility providers, employees, and other providers of services and/or goods necessary for the operation of the Franchised Business.
Total Estimate¹⁶	\$109,050	\$200,200			

Notes:

1. Initial Franchise Fee and Onboarding Fee. The initial Franchise Fee is \$70,000. All fees paid to us for your initial franchise fee are non-refundable. There are no refunds under any other circumstances, including if you breach the franchise agreement and we terminate the Franchise Agreement.

You may purchase additional Territories based on the table below. Upon approval by us, you may also purchase additional population for \$0.20 per person.

2. Travel and Lodging for Initial Training. We do not charge you for initial training, but you will be responsible for your costs and expenses to travel to our headquarters for training. This estimate also includes costs and expenses if you are not a nurse and are required to hire and send a nurse to the initial training. See Item 11 for Initial Training Program.

3. Leasehold Improvements. The location that you lease should be in a general-use office space that was previously built-out for general office use and is in move-in ready condition for that purpose. The low estimate assumes you will not have any build-out expense, and the high estimate assumes you will have buildout on an 800-900 square foot space. If you decide to occupy a larger space, you may incur higher costs associated with a build-out. In the event you select a location that is not previously built-out and in move-in ready condition, and we approve of such location, you are likely to incur additional costs related to build-out.

4. Furniture, Fixtures and Office Equipment. We require only basic office furniture to accommodate the administrative operations of your First Day Homecare Franchise. In certain instances, including operation of your First Day Homecare Franchise from an executive suite facility, office furniture may be included in your lease. The location that you lease should be in a condition that was previously built out and in move-in ready condition.

5. Signage. The Franchised Business location must have, at a minimum, a high-quality decal featuring First Day Homecare's logo and name. You may, if allowed under your lease or agreement, purchase additional signage such as an outdoor sign.

6. Technology/ POS System. **You are required to operate and maintain at least one approved desktop or notebook computer meeting our standards and specifications to be used from your Franchise Business that must possess broadband internet access. You must use the Business Management Fee & EMR System Fee. You must use the EMR System that we designate.** At all times, we will possess direct access to the **Business Management EMR System** used by you and we will have access to all information entered into these systems including, including information about your sales and customers. The EMR system we designate currently charges \$560 per month and you will contract directly with the supplier. We have also included the cost of three months of the Technology Fee, currently \$300 per month.

7. Computer System. You are required to operate and maintain at least one COIP/Broadband phone system with eFax capabilities and one approved desktop or notebook computer meeting our standards and specifications to be used by your Franchise Business that must possess broadband internet access. The cost of the computer system that you will be required to purchase varies depending on the size of your First Day Homecare Franchise. The low end contemplates you already own each of the components of the Computer System.

8. Three Months' Rent and Security Deposit. You must operate the Franchised Business from a commercial office facility that is intended for back-end administrative operations. The commercial facility that you select and lease as your Franchise Business should be in a lower-rent commercial district (not Class "A" office space) and should permit the operation of an administrative office and a working area to meet with staff and coordinate daily service efforts. We recommend that your administrative office be a minimum of 800 square feet and a maximum of 1,000 square feet. Further, you

must comply with all requirements set forth in the Operations Manual. The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease. The “Estimated Initial Investment” for your First Day Homecare Franchise is based on the assumption that you will be leasing your Franchise Business. You will be required to pay the landlord a security deposit that will be calculated based upon a number of months’ rent that the landlord requires to be held as security. The amount of your security deposit is something that you will negotiate directly with the landlord and will vary significantly based on a number of factors, including the desirability of your leased location and your own negotiations.

~~based upon a number of months' rent that the landlord requires to be held as security. The amount of your security deposit is something that you will negotiate directly with the landlord and will vary significantly based on a number of factors, including the desirability of your leased location and your own negotiations.~~ This estimated initial investment does not include the purchase of real property.

9. Licenses. You must apply for, obtain, and maintain all required permits and licenses necessary to operate the Franchised Business. The licenses will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and are due prior to opening the Franchised Business. You should carefully review your local and state laws as many states and jurisdictions require specialized licenses before you may establish and operate the Franchised Business. License fees vary from state to state and should be evaluated by you before signing a First Day Homecare Franchise Agreement. [Franchisor will offer assistance with the licensing process.](#)

10. Opening Inventory and Supplies. The Opening Inventory and Supplies fee covers the cost of your initial inventory of gloves, hand sanitizer, face masks, OSHA kits, medical staff training equipment, and other supplies that you will use to operate you Franchised Business.

11. Accreditation. Within 6 months after you commence operation of your Franchise Business you are required to obtain accreditation from the Accreditation Commission for Health Care (ACHC). In addition to accreditation through ACHC, if you are going to participate in Medicare, you must pass a Medicare Certification survey through either ACHC or **you** your state of operation and you are obligated to maintain accreditation status.

12. Learning Management System. Franchises will be required to purchase the online Learning Management Systems in order to complete the required Training Plans.

13. Insurance Deposits and Premiums. The Franchised Business must maintain different forms of insurance that we designate and specify. The amount and timing of your payments for insurance will be based on your agreement with your insurance agent. The cost of your insurance coverage will be based on factors outside of our control. The amount charged for insurance coverage may be significantly more or less than our estimate. This estimate is an annual estimate, not three months. Further, this estimate assumes you will have no employees and no patients at the time you open your Franchised Business. You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit.

[The cost of insurance is the projected cost for the entire first year and may be charged upfront.](#)

14. Professional Fees. These estimates are for costs associated with the engagement of professionals such as attorneys and accountants to advise you prior to the signing of your franchise agreement and to assist with the start-up and licensing of the Franchised Business. Further, you may need to seek assistance from an attorney to help you obtain a Certificate of Need or any other applicable licenses to operate your business. It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of the Franchised Business.

15. Additional Funds (3 months). You will need additional funds to support on-going businesses expenses, including business expenses such as payroll [\(for one manager and one initial employee\)](#), inventory, marketing, and utilities. This estimate is only to cover on-going expenses during the initial **start-start-** up phase of the Franchised Business comprised of the first three (3) months following the opening of the Franchised Business. We have relied on the experiences of our affiliate in making this estimate.

16. About Your Estimated Initial Investment. This is an estimate of the initial start-up expenses for a First Day Homecare Franchise. We have based these estimates on our experiences. These estimates do not include interest and financing charges that you may incur and they do not include management-level compensation payable to you or your owners. These estimates are for one First Day Homecare

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

1. Branded Items and Marketing Materials – . All materials bearing the Licensed Marks including, but not limited to, stationary, business cards, brochures, apparel, signs and displays, must meet our standards and specifications, and must be purchased from our designated suppliers or in accordance with our standards and specifications. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your First Day Homecare Franchise through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. All branded marketing materials must be approved by us. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors, and marketing channels. [Some of your Local Area Marketing Required spend must be paid to us to manage your SEO and dynamic landing page for your Franchised Business.](#)

2. Business Management and Technology System– System. You are required to utilize the Business Management System that we designate or otherwise approve in writing. You will be required to continuously enter, maintain, and update your business and financial information in the Business Management System. At all times the Business Management System must be maintained on a desktop or laptop computer that we approve and that otherwise meets our standards and specifications. At our election, the data and information related to your First Day Homecare Franchise may be maintained on a cloud-based server, servers hosted by us or as otherwise designated by us. The Business Management System may require your payment of an initial license fee, supplemental license fees for additional computers that you may utilize and will add as you increase the size of your First Day Homecare Franchise. At present, we do not designate a specific vendor for elements of the Business Management System for the Franchised Business, but we may do so in the future. You may be required to pay a continuing license fee to the third-party supplier in connection with your required and on-going use of the Business Management Software System.

Additionally, you must purchase and maintain a computer system and certain software programs we designate on-site at your First Day Homecare Franchise. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving: (a) computer hardware specs and required software, back- office equipment, and supplies, (b) security systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) high-speed internet access mode. In the future, we may serve as the supplier of certain technology services and related services that we require your Franchised Business to utilize.

4. Bookkeeping Support – . We require that you utilize the services of a third-party bookkeeper or accountant that meets our standards and specifications and is approved by us for the maintenance and recording of your accounting activity, journal entries and the preparation of unaudited financial statements. You may be required to pay a monthly bookkeeping fee that will vary based on the number of accounting transactions conducted by the Franchised Business.

5. Pre-paid Legal Support – . We recommend that you utilize the services of a pre-paid legal services support provider related to prepaid legal consultations and support involving transactions, collections, and legal support for the Franchised Business.

6. Insurance – . You must obtain and maintain the insurance coverages and policies that we prescribe in the Franchise Agreement, which we may always update, supplement, or otherwise modify on prior written notice to you via the Manuals or otherwise.

Each insurance policy must be issued by a carrier satisfactory to us, who must have an A.M. Best Rating of not less than A-VII. We may require that these policies name us as an additional insured and contain a waiver of subrogation in our favor. The policies must provide us with written statutory cancellation notice and non-renewal. We may increase required coverage limits or require additional or different policies in our reasonable discretion. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect, and any

As of the Issue Date, you must acquire and maintain the policies in the minimum amounts set forth in Table 8 below (or the amounts required under applicable law) before you open your Franchised Business and throughout the operation of the Franchised Business, subject to our right to increase, supplement or otherwise modify these requirements on prior written notice via the Manuals or otherwise:

Insurance Requirements

Coverage Type	Amount	Coverage Level
General and Professional Liability	\$5,000 - \$15,000	1M occurrence, \$2M aggregate (CA \$3M Agg). Must include sexual abuse \$250k/\$500k. - \$250,000 per occurrence.
Business Property Insurance	\$75,000	Per Month
Business Income/Extra Expense	\$12,500	Per Month
Electronic Media and Records	\$10,000	Per Occurrence
Money and Securities	\$10,000/Inside \$2,500/Outside	Per Occurrence
Valuable Papers and Records	\$25,000	Per Occurrence
Accounts Receivable	\$25,000	Per Occurrence
Workmen's <u>Workers'</u> Compensation	\$750 - \$10,000	Charged per payroll amount. Get this coverage from your payroll vendor (Viventium) or through another carrier.
Business Interruption Insurance (unless you can demonstrate that such coverage is not able to be acquired by providers in your state or region)	\$50,000	Not less than Per Month
Hired & Non-Owned Auto	\$0 - \$10,000	\$1M Combined Single Limit (CSL) (if not included in GL)
Employee Dishonesty / Theft	\$250 - \$500	\$25,000 (must include theft of third parties)
Personal Property	\$250 - \$1,000	\$10,000 minimum
Any other coverage that (a) Franchisor periodically requires to satisfy insurance-related obligations via the Manuals, System Site or otherwise in writing, or (b) your independent legal counsel identifies as required or recommended coverage.		

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. Presently we have agreed to a negotiated price with our supplier of the EMR system, whereby our franchisees will receive pre-negotiated discounts on the system and services, including free lifetime access to educational materials. We do not currently but we may establish preferred vendor programs with suppliers on behalf of some or all of the First Day Homecare Franchise under the System and, in doing so, we may limit the

number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. **Other than the EMR** We have negotiated special pricing for franchisees with the EMR provider and our bookkeeping support supplier **pricing**. Other than disclosed herein, there are no purchase or supply agreements in effect for source restricted products or services. There are no purchasing or distribution cooperatives that you must join. You

will not receive any material benefits for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on franchisee purchases and we reserve the right to institute and expand rebate programs in the future. We have agreed to a rebate program with a preferred vendor for document management services. The agreement with the vendor will give us and our franchisees a 10% rebate each based on the annual spend of the franchisee. For the **2023** 2024 fiscal year, we **and/or our affiliates** did not receive revenue from suppliers of franchisee purchases of source restricted products or services, however, our supplier for VOIP services provides us a \$25 gift card for each franchisee we refer to them.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Articles in Agreement	Disclosure Document Item	
a.	<u>a.</u> Site selection and acquisition/lease	2.A	7, 11
b.	<u>b.</u> Pre-opening purchases and leases	3, 8	7, 8
c.	<u>c.</u> Site development and other pre-opening requirements	3, 4, 7, 8, 9.B	6, 7, 11
d.	<u>d.</u> Initial and ongoing training	4, 7.I	11
e.	<u>e.</u> Opening	2, 3, 4, 9.B	11
f.	<u>f.</u> Fees	3, 4.A, 5, 9, 12, 13, 14, 15, 16, 18.N.	5, 6, 7
g.	<u>g.</u> Compliance with standards and policies/manual	3, 4, 7, 8, 9, 12	8, 11
h.	<u>h.</u> Trademarks and proprietary information	6, 7, 11	13, 14
i.	<u>i.</u> Restrictions on products and services offered	3, 4.C, 7.A., 7.E., 7.F, 7.I, 8	8, 11, 16
j.	<u>j.</u> Warranty and customer service requirements	7	16
k.	<u>k.</u> Territorial development and sales quotas	2	12
l.	<u>l.</u> Ongoing product	3, 4.C, 5, 7	8

	and service purchases		
m.	<u>m.</u> Maintenance, appearance, and remodeling requirements	7	7, 17
n.	<u>n.</u> Insurance	8	7, 8
o.	<u>o.</u> Advertising	4.C, 7.E, 7.F, 9, 11	6, 11
p.	<u>p.</u> Indemnification	10	6
q.	<u>q.</u> Owner's participation, management, and staffing	4, 6, 7	11, 15
r.	Records and reports	5, 12	6
s.	Inspections and audits	13	6, 11

Obligation	Articles in Agreement	Disclosure Document Item	
r. Records and reports	5, 12	6	
s. Inspections and audits	13	6, 11	
t. Transfer	t. Transfer	14	17
u. Renewal	u. Renewal	15	17
v. Post-termination obligations	v. Post-termination obligations	6, 17, 18	17
w. Non-Competition Covenants	w. Non-Competition Covenants	6, 17, 18	17
x. Dispute Resolution	x. Dispute Resolution	18.F, 18.G	17
y. Individual guarantee of franchisee obligations	y. Individual guarantee of franchisee obligations	2.C, 6, 14.C, 14.E	9

**ITEM 10
FINANCING**

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

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

Pre-Opening Obligations

1. Grant of Franchise – We will grant you the right to operate the Franchised Business within a designated Franchise Territory. (Franchise Agreement, Article 2);

2. Licensing Assistance. We will assist you in applying for enrollment in Medicaid and with other programs. In some states you may be required to obtain state licensure to operate the private duty nursing line of business. If your state requires licensing, we will provide assistance to you in preparing and submitting the licensing applications. (Franchise Agreement, Article 4.B)

3. 2.Site Review, and Approval of Franchise Territory – At the time of signing your Franchise Agreement you will have selected, and we will have approved of the Franchise Territory within which you will operate the Franchised Business. Although there is no specified time limit for us to review the proposed site of your Franchise Business, we will do so within a reasonably expedient time period if same is not selected prior to the execution of your Franchise Agreement. (Franchise Agreement, Article 2)

4. 3.Manuals – We will provide you with access to our confidential and proprietary Manuals. You must operate the Franchised Business in accordance with the Manuals and all applicable laws, rules, and regulations. At all times, we reserve the right to supplement, modify and update the Manuals. (Franchise Agreement, Articles 1 and 4.C). We currently use 3 separate manuals: the Operations Manual, the Policy Manual, and the Procedure Manual. The table of contents for our operations manual is [75](#) [94](#)

pages and is included in Exhibit D of this Disclosure Document. (Franchise Agreement, Article 4).

5. 4. Approved Suppliers and Distributors - . We will provide you with a list of our approved suppliers and distributors, to the extent that we have designated them, either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3 and 4);

6. **5.Signs, Furniture, and Fixtures –** We will provide you with a list of our approved signage, office equipment, furniture, and fixtures, to the extent that we have designated them, either as part of the Manuals or otherwise in writing and/or we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide assistance in delivering or installing signs, furniture, or fixtures. (Franchise Agreement, Articles 3 and 4);

7. **6.Website and Digital Media –** We will identify and locate your First Day Homecare Franchise on our website. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. We will also manage your SEO through the designated supplier (Franchise Agreement, Articles 3.G and 9); and
~~website. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, Articles 3.G and 9); and~~

8. **8.Initial Training –** About 4 to 6 weeks prior to the opening of your First Day Homecare Franchise you or your Managing Owner and one management level employee or Owner must attend and complete our initial training program. If you are not a licensed nurse, you will be required to hire and send to training, a registered nurse. We will provide you (and up to one of your designated managers) with training in accordance with our initial training program. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your managing owner and one operating manager at our training facility located in Flint, Michigan. The training program takes place over a 3 to 5- day period and is described below in this Item 11 in more detail.

9. **9.Pricing.** We have no obligation to assist you with establishing prices, such as setting minimum and/or maximum, prices at which you must sell products and services, for your Franchise Business.

Site Selection

Although you are responsible for selecting a site for your Franchise Business you must obtain our approval of your selected location. We do not typically own or lease the real property that will serve as the location for your Franchise Business, and you are responsible for all costs and expenses in locating and evaluating proposed sites for your Franchise Business. Before you enter into a lease or other agreement for your Franchise Business you must obtain our approval. We will provide you with site selection guidelines. Your Franchise Business must be located within your Franchise Territory at a site that we approve. If you operate within multiple Franchise Territories, we may permit you to share one Franchise Business, subject to your request and our approval.

Although there is no specified time limit for us to review the proposed site for your Franchise Business, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request concerning the proposed site. In determining whether to approve or disapprove a proposed site for your Franchise Business, factors that we take into consideration include: (a) characteristics of the proposed site; and (b) the location of your proposed site relative to your overall Franchise Territory and proximity to other franchisees.

You must secure a site, that we approve, for your Franchise Business no less than 30 days prior to commencing operation of your Franchised Business, or within 60 days of signing your Franchise Agreement where state law requires you to obtain a lease prior to submitting for the appropriate state licensure (Franchise Agreement, Article 3.A). If you do not meet this requirement for any reason, including our disapproval of a proposed business location, we may terminate your Franchise Agreement without refunding any fees to you. It is your obligation to consult with government agencies, architects, and legal professionals to evaluate and determine that your Franchise Business location permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a business that offers and provides the System Services and Products.

Time to Open

You may not open the Franchised Business until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Franchise Territory, obtained and provided us with written proof of the required insurance, and have timely secured a location for your Franchise Business that we approved.

We estimate that the length of time between the signing of your Franchise Agreement and opening your First Day Homecare Franchise to be approximately 3 months to 6 months. Factors that may affect this estimated time period include: (a) obtaining the necessary licensures for the operation of your First Day Homecare Franchise; (b) evaluating and selecting a suitable site for your Franchise Business that is approved by us; (c) length of time undertaken by you to complete our initial training program to our satisfaction; (d) negotiating and obtaining a suitable lease for your Franchise Business that is approved by us; and (e) obtain third-party lender financing, if necessary. You must open your First Day Homecare Franchise within 9 months from the effective date of your Franchise Agreement, otherwise, we may terminate your Franchise Agreement without refunding any fees to you. At our sole discretion, we may extend this timeframe to account for unforeseen circumstances, such as delays in your ability to obtain the requisite state licensure(s).

Post-Opening Obligations

1. Communication of Operating Standards – We will establish, update, and provide you with consultations and communications as to the standards, procedures, and System requirements as to the operation of your First Day Homecare Franchise including, but not limited to, Approved Services and Products, System Supplies, marketing and promotion standards, and designate, modify, supplement and amend from time to time and, as set forth in the Manuals. (Franchise Agreement, Articles 4.B. and 4.C.);
2. Marketing Standards and Approval – We will establish, update, and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, those marketing media that you may use. We will respond to your request respecting the communication of our approval or disapproval of marketing media that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing media may be used in the marketing and promotion of your First Day Homecare Franchise (Franchise Agreement, Article 4.B.);
3. Approved Vendors – We will provide the names and addresses of approved vendors and suppliers for the Approved Services and Products and the System Supplies. (Franchise Agreement, Articles 4.B. and 4.C.);
4. Annual System Conference – If we establish an annual conference, we will coordinate an annual conference to be attended by franchisees of the System. (Franchise Agreement, Article 4.B.);
5. Supplemental Training – We will require that you and your Operating Manager participate in supplemental on-site or virtual training. If you are not meeting what we believe to be System performance standards, we will provide supplemental training on-site within your Franchise Territory. You will be required to pay our then current supplemental training fee, per on-site trainer, per day, plus travel expenses, meals and accommodation expenses incurred by us. (Franchise Agreement, Article 4.A.);
6. Initial Training for Replacement Operating Managers – Your Operating Manager must complete our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be completed to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our First Day Homecare Franchise located in Flint, Michigan and at the certified training First Day Homecare Franchise

our initial training. Generally, the Initial Training Program for a replacement manager will be closer to one week. (Franchise Agreement, Article 4.A. and 4.C.);

7. Administration of Marketing Funds – We will administer and manage System-wide marketing funds comprised of a Brand Development Fund and/or Advertising Cooperative. (Franchise Agreement, Articles 9.A. and 9.G); and

8. Hiring and Training of Employees – We do not provide assistance with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. You must monitor and ensure that all System Supplies and Approved Services and Products are prepared, maintained, and served in accordance with the System standards and Manuals. (Franchise Agreement, Article 10.A).

Advertising

1. Generally – All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of your First Day Homecare Franchise must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize those advertising and marketing materials and mediums that we designate and approve of in writing. In our discretion, we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. We are not required to spend any amount on your behalf on advertising in your Franchise Territory. (Franchise Agreement, Article 9);

2. Local Marketing – You are not authorized to engage in any marketing unless it is pre-approved by us (Franchise Agreement, Article 9.B), in our discretion. On an on-going monthly basis, you must spend a minimum of \$1,200 per month on the local marketing of your First Day Homecare Franchise to customers located within your Franchise Territory and in accordance with our standards and specifications. [\\$275 per month must be paid to us and will be credited towards your \\$1,200 per month for managing SEO and the landing page for your First Day Homecare Franchise.](#) We will review your local marketing programs and notify you if we approve. We may make available to you and provide you with access, in the form of a source document, to our approved marketing campaigns, media, and messaging that may be used by you. If we provide you with access to our marketing campaigns, we provide you with the source designs, copy, and design specifications. However, you will incur the direct costs associated with customizing, duplicating, and using such marketing campaigns and in having them printed, distributed and/or placed with media sources. (Franchise Agreement, Article 9);

3. We have no obligation to spend any amount on advertising and promotion in your Area or Territory.

4. Digital Media and Website – All digital media and marketing must be approved by us. We will designate for your Franchise Territory information about your First Day Homecare Franchise on your landing page on the First Day Homecare webpage and the city or other territory of the Franchised Business and or such other websites as we may designate for the System. (Franchise Agreement, Article 9);

4. Brand Development Fund – We will control and administer a brand development fund (the "Brand Development Fund") (Franchise Agreement, Article 9.A). As disclosed in Item 6 of this Disclosure Document, all franchisees must contribute a sum of 1% of **your their** monthly Gross Revenue to the Brand Development Fund which we may increase up to 2% of **your** monthly Gross Revenue upon 30 days' written notice to you. We may use the Brand Development Fund for market studies, research, service development, product development, testing, research studies, technology development, services for franchisees and/or their clients, advertising and public relations studies or

6.

5. placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned First Day Homecare Franchise may but are not required to contribute to the Brand Development Fund, however if they do participate, they will contribute in equal amounts to other participants. The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you (no more frequently than one time in any twelve-month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds, and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your First Day Homecare Franchise or the marketing area in which your First Day Homecare Franchise will be located. (Franchise Agreement, Article 9.A). We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of First Day Homecare Franchise and the marketing of First Day Homecare Franchise. These technological developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of First Day Homecare Franchise. You may or may not benefit from these technological developments and improvements. (Franchise Agreement, Article 9.A.);

We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not directly utilize the Brand Development Fund to directly market the sale of First Day Homecare franchises, however the advertising, marketing and brand development materials developed (including the System website, may contain basic information as to the availability of First Day Homecare franchises for sale and contact information for franchise inquiries. There are currently no other operating or planned advertising funds which you will be required to participate in, but we reserve the right to develop additional funds and make your participation mandatory. During the **2023** 2024 fiscal year, we did not collect any Brand Fund Contributions.

5. 7. Local and Regional Advertising Cooperative – . We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your First Day Homecare Franchise **all franchisees and franchisor owned outlets** you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative will be responsible for administering the cooperative, including determining the **amount** number of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per First Day Homecare Franchise located and a quorum of not less than twenty-five percent of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members . we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your First Day Homecare Franchise, you will be required to participate in the cooperative in accordance with the provisions of our Operations Manual which we may supplement and modify from time to time (Franchise Agreement, Article 9).

As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future.

6. **8. Advertising Council** – . We have not established an advertising council but reserve the right to do so in the future. (Franchise Agreement, Article 9.A).

Computer System

You are required to operate and maintain at least one [VOIP phone with eFax capabilities](#) and one approved desktop or notebook computer meeting our standards and specifications to be used by your Franchise Business that must possess broadband internet access. You must use the Business Management System that we designate, currently we require you to purchase the system that we designate. At all times, we will possess direct access to the Business Management System used by you and we will have access to all information entered into these systems including, including information about your sales and customers. The cost of the computer system that you will be required to purchase varies depending on the size of your First Day Homecare Franchise, with your estimated costs for a computer system being \$0 to \$2,500. You are obligated to install the software upgrades and patches as provided by the manufacturer of the computer and the Business Management System. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. Your estimated costs for the maintenance, repair and updates for the computer systems is between \$500 - \$1,000 per year, which does not include the cost of your subscription to the required EMR system.

There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. You will also be required to utilize those customer reward programs and systems that we designate. There are no contractual limitations on the frequency or cost of this obligation. There are no contractual limits imposed on us to access your data. For clarity, we will have independent access to all of the information and data that is electronically collected and stored on your Business Management System and, as such, will have access to all data related to the sales, inventory, and financial performance of your Franchised Business. Our access to franchisee's data may be subject to HIPAA privacy laws.

Initial Training

If this is your **first initial** First Day Homecare Franchise, we will provide initial training for you (or if you are a corporate entity, your managing owner) plus one **designated manager. Either you or your Registered Nurse and one** managing owner **plus one other employee . One Registered Nurse** must successfully complete the initial training program to our satisfaction no later than **45 14** days prior to the opening of your First Day Homecare Franchise. The initial training program at our location, virtually, or at another location we designate, takes place over an approximately 3.5-day period. If more than two individuals attend initial training, you will be charged an additional fee per additional person attending initial training (Item 6). Although we provide you (or your managing owner if you are a corporate entity) plus your **general manager Registered Nurse** with initial training at no additional fee or charge, you will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance and participation in our initial training program and the attendance and participation of your designated managers in our initial training program. (Franchise Agreement, Article 4). Currently, we provide our initial training program no less frequently than quarterly and on an as-needed basis.

[\[Remainder of page intentionally left blank. Item 11 continues next page.\]](#)

TRAINING PROGRAM

The following chart summarizes the subjects covered in our initial training program:

Subject	Hours of Classroom Training	Hours of On-On- the- Job Training	Location
Establishing the Business Legal Compliance ; Basics of the Model ; Our Relationship ; Goals and Targets	4	4	Headquarters, virtually, or other location we designate
The Business and Background History of Industry ; Company Culture ; Business Model ; Financial Model	2	0	Headquarters, virtually, or other location we designate
Equipment and Systems Equipment ; Vendors ; Technology ; <u>Maintenance</u>	10	6	Headquarters, virtually, or other location we designate
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Maintenance			
Marketing and Sales Promoting the Franchise ; Closing Franchise Sales ; Managing Relationships ; Franchised Unit Marketing and Sales – Coaching and Mentoring	4	2	Headquarters, virtually, or other location we designate
Operations and Management Overseeing Franchise Operations ; Supporting new Franchisees ; Training Systems	4	4	Headquarters, virtually, or other location we designate
Execution and Implementation	4	8	Headquarters, virtually, or other location we designate
TOTALS:	28 Hours	24 Hours	

If you are not a registered nurse, you will be required to hire a registered nurse before opening your business. Your nurse will only be required to attend one day of training, which we call a “Clinical Day”. The Clinical Day training program includes training on EMR 104, our clinical programs (Hand-in-Hand Transitions®, Safe On-Site® Staffing, Nutrition First®, TrachBright®, and VentBright®), Admissions 101, Provision of Care, and EMR 105.

Instructional materials that will be utilized in the initial training process include our Manuals. All training will be conducted under the direction and supervision of Emily Wiechmann, **16 over 15 years’** experience, **and** Harvey Mathews, over 10 years’ experience , and Timothy King, over 15 years’ experience. in their respective fields and may be provided through other parties designated by us who have appropriate and reasonable experience and qualifications in the training subjects, **but which shall have a minimum of 6 months of experience in their respective fields.** The training will utilize First Day Homecare

ITEM 12 TERRITORY

Your Location

Under the Franchise Agreement, we will grant you the right to develop and operate one First Day Homecare Franchise within a designated operating territory (your “Franchise Territory”). Your site must be located within your Territory, and you must request approval from us, which we may grant or refuse in our sole discretion, and you must submit to us a copy of the proposed lease prior to signing it.

Grant of Territory

At the time of signing your Franchise Agreement, we will designate your Franchise Territory. Your Territory will typically **consist of between** be a minimum of 350,000 – 400,000 (according to the most recent U.S. Census data available at the time you and we sign the Franchise Agreement) people around your Franchise Business unless you enter into an agreement to purchase a larger Franchise Territory.

You may purchase additional Territories based on the table below. Upon approval by us, you may also purchase additional population for \$0.20 per person.

The boundaries of your Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources). You may not solicit customers and/or advertise outside your Territory or deliver any products or services to any destination outside your Territory without our prior written consent.

Except as otherwise provided in and during the term of the Franchise Agreement, for so long as you comply with the terms and conditions of the Franchise Agreement, we will not establish and operate, nor license any party other than you to establish and operate, any Franchise Business under the System and the Proprietary Marks within your Territory. Your territory is not dependent upon meeting a certain sales quota or the opening of additional Franchise Businesses. The boundaries of your Territory will not change, even if the population within your Territory increases or decreases, during the initial term of your Franchise Agreement.

Relocation

You may not relocate your site without our prior written approval. Your right to relocate your First Day Homecare Franchise and, thereby, your Franchise Territory is not guaranteed and approval of a relocation request by you is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of your Franchise Territory, our expansion plans, and other factors that, at the time of a relocation request, are relevant to us. If you ask to relocate, we will evaluate your request using the same standards that we apply to review the proposed location of new Franchised Businesses. Unless otherwise agreed in writing, relocation does not change your Territory.

Establishment of Additional Franchised Businesses

At our discretion, we may allow you to purchase additional First Day Homecare Territories.

Options and Rights of First Refusal to Acquire Additional Franchises

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Rights

During the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not open and operate, and, we will not grant another franchisee the right to open and operate a First Day Homecare Franchise within your Franchise Territory

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.

In the event you conduct services in another franchisee's Territory, you must pay the encroached franchisee 5% of the Gross Revenue derived from the services you provided in their Territory. **Franchisee** The franchisee who has rights to **that the encroached** Territory retains the right of first refusal to the clients in their Territory and may prevent you from offering services in their space, so long as they provide the requested services to the client. ~~During the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not open and operate, and, we will not grant another franchisee the right to open and operate a First Day Homecare Franchise within your Franchise Territory.~~

Reserved Rights

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and, without any compensation or consideration to you (Franchise Agreement, Article 2.D), to engage in the following activities (our "Reserved Rights"):**(a)**

(a) operate and grant to others the right to develop and operate First Day Homecare Franchise using the System and Licensed Marks outside your Franchise Territory, as we deem appropriate and irrespective of the proximity to your Franchise Territory;**(b)**

(b) acquire, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, your First Day Homecare Franchise, and after such acquisition, merger or affiliation to own and operate and to franchise, or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to a the Franchised Business (but not utilizing the Licensed Marks) within your Franchise Territory;**(c)**

(c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to your First Day Homecare Franchise (but not utilizing the Licensed Marks) within your Franchise Territory;**(d)**

(d) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement; **(e)** ~~permit System franchisees with Legacy Customers within your Franchise Territory to service such Legacy Customers; and (f) to use other channels of distribution, including the internet, within your territory using the our principal trademarks or using trademarks other than those that you will use.~~**and**

(e) permit System franchisees with Legacy Customers within your Franchise Territory to service such Legacy Customers (subject to the Encroachment Fee).

Soliciting by You Outside Your Territory and Territory Rules

You must operate your First Day Homecare Franchise and provide the Approved Services and Products of exclusively within your Franchise Territory. The marketing of your First Day Homecare Franchise must be targeted to your Franchise Territory **and** but you are **not** permitted to directly solicit customers outside of your Franchise Territory, as long as you are not soliciting in another franchisee's Franchise Territory. Provided that you do not engage in any Direct Solicitation of customers **outside of your Franchise Territory or**, within the Franchise Territory of another First Day Homecare Franchise you may provide, subject to our written approval, Approved Services and Products within an Open Area, subject to the following definitions, rules, and limited circumstances:

(f) (a) You **cannot** may engage in **any limited** Direct Solicitations outside of your Franchise Territory. The term “Direct Solicitation” refers to and means “communications and/or contacts occurring through in person contact, telephone, mail, e-mail, direct mail, distributed print media, digital media and/or other forms of marketing directed toward customers, potential customers, or referral sources of **av** a First Day Homecare Franchise.;

(g) (b) You cannot provide Approved Services and Products in the Franchise Territory of another First Day Homecare Franchise (an “Assigned Area”), unless you have requested and they have waived their right to service the client, and you shall be subject to an Encroachment Fee if you provide the Approved Services;

(h) (c) Approved Services and Products to any customers within the Open Area , except for existing customers located within the now Assigned Area that you have already serviced when it was an Open Area (“Legacy Customers”) and you must turn over to us, for the benefit of another First Day Homecare Franchise franchisee, all information, and records related customers in the Open Area.

(i) You may only provide the Approved Services and Products to five customers in an Open Area which must be contiguous and within the same state to your Franchise Territory before you will be required to either purchase the Open Area as a Franchise Territory or cease doing business outside of the Franchise Territory. You will also not receive any protected rights to the Open Area unless you purchase the Franchise Territory, regardless of whether you have active customers or not.

(j) In the event you have Legacy Customers in another franchisee’s Franchise Territory and you transfer the rights to your franchise business to a third party, the Legacy Customers shall be transferred to the franchisee that owns the Franchise Territory and shall not be included in the sale or transfer.

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sell or will sell goods or services similar to those that will be offered by you through the Franchised Business.

ITEM 13 TRADEMARKS

Pursuant to the terms of the Franchise Agreement, we will grant you the non-exclusive right and license to utilize the “First Day Homecare” trademark and those other marks identified in this Item 13 to operate your Franchised Business in accordance with the System.

Our affiliate has filed all affidavits required for our principal trademarks.

As of the Issuance Date, we or our affiliate, First Day Homecare, LLC., has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office (“USPTO”). We have not yet been required to, but we intend to file any affidavits and renewals necessary with the USPTO before the deadlines arrive.

Mark	Registration Number	Registration Date
FIRST DAY HOMECARE	6851389	September 20, 2022
VENTBRIGHT	6852624	September 20, 2022
TRACHBRIGHT	6852625	September 20, 2022
SAFE ON-SITE	7279020	January 16, 2024

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
<u>FIRST DAY HOMECARE</u>	6851389	<u>September 20, 2022</u>
<u>VENTBRIGHT</u>	6852624	<u>September 20, 2022</u>
<u>TRACHBRIGHT</u>	6852625	<u>September 20, 2022</u>
HAND-IN-HAND TRANSITIONS	7287129	January 23, 2024
	<u>7634857</u>	<u>December 31, 2024</u>
<u>FIRST DAY FRANCHISING</u>	<u>7634856</u>	<u>December 31, 2024</u>
<u>FIRST DAY ABA THERAPY</u>	<u>7635358</u>	<u>December 31, 2024</u>
	<u>7635365</u>	<u>December 31, 2024</u>

We also license the following Marks which we or our affiliate have applied for registration with the USPTO but have not yet been registered:

Mark	U.S. Application Serial Number	Application Filing Date
FIRST DAY FRANCHISING <u>STEPBRIGHT</u>	97735769 <u>98714894</u>	December 29, 2022 <u>August 23, 2024</u>
 	97735819 <u>98953455</u>	December 29, 2022 <u>January 11, 2025</u>
	97914843	May 1, 2023

We also license the following Mark, but have not applied for registration, however, we claim
 First Day Homecare
 2024 2025 FDD

copyright ownership of the mark.



At this time, we do not have a registration for this trademark. Therefore, this trademark does not have many of the legal benefits and rights as a federally registered trademark. If your right to use this trademark is challenged, you may have to change to an alternative trademark which will increase your expenses.

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally-registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We claim common law rights to the Marks and other terms and phrases used regularly in connection with the Business. We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common law and/or statutory trade secrets and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your First Day Homecare Franchise.

We have the right to control any administrative proceeding or litigation involving a trademark licensed by or to you. If you learn of any claim, suit, or demand against you by a third party for any alleged infringement, unfair competition, or similar matter due to your use of the Marks, in accordance with the terms of the Franchise Agreement, you must promptly notify us of the claim, suit, or demand. We will then take

Agreement (Franchise Agreement, Article 6 and, Franchise Agreement Exhibits 1 and 2). You and each Owner and spouse shall promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with First Day Homecare, and that for 36 months after the expiration of termination of the Franchise Agreement (with said period being tolled during any periods of non-compliance), you will not participate in any competitive business located within and/or servicing customers located within your Franchise Territory and a twenty-five (25) mile radius surrounding your Franchise Territory. Further, you will not participate in any competitive business located within and/or servicing customers located within a twenty-five (25) mile radius of any other First Day Homecare and/or the Franchise Territory of any other Franchised Business. Your managers and all other employees and agents with access to our confidential information will be required to sign a confidentiality agreement (Franchise Agreement, Article 6 and, Franchise Agreement, Exhibit 3).

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

You may only sell the Approved Services and Products as specified in the Manuals or otherwise approved by us in writing and you may only sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered and sold by First Day Homecare. You are not limited to whom you may sell products and services of your First Day Homecare, provided you do so exclusively within your Franchise Territory and as otherwise required by us and in compliance with the standards we determine for the System.

**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	2.B	The term of your Franchise Agreement is 10 years
b. Renewal or extension of the term	15	If you meet our conditions for renewal you may renew your franchise for one additional 5-year 10-year term.

<p>c. Requirements for franchisee to renew or extend</p>	<p>15</p>	<p>To renew your franchise you must be in compliance with the terms of your Franchise Agreement, provide us with 180 days prior written notice of your request to renew, sign our then current form of franchise agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, remodel and upgrade your First Day Homecare Franchise to meet our standards and specifications, and meet all other renewal requirements contained in the Franchise Agreement. Your owners must be in compliance with their agreements with us including the Franchise Owner and Spouse Agreement and Guaranty and they must personally guaranty the terms of your renewal franchise agreement which may contain terms and conditions materially different from your current Franchise Agreement.</p>
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<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT</u>	<u>SUMMARY</u>
		your current Franchise Agreement.
d. Termination by franchisee	16.B	You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with “cause”	16.A	We can terminate if you are in default of the terms of the Franchise Agreement.
g. “Cause” defines- curable defaults	16.A(3) 16.A(4)	You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours. Also, if you
g. “Cause” defines- curable defaults	16.A(3) 16.A(4)	You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours. Also, if you fail to pay a supplier without, as determined by us, a legal justification. Provided that the foregoing defaults were not intentionally and knowingly in violation of the Franchise Agreement. You will have 30 days to cure a default where you, fail to: timely lease a location that we approve for your First Day Homecare Franchise; timely develop and open your First Day Homecare Franchise operate your First Day Homecare Franchise in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or operate your First Day Homecare Franchise Business in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the Operations Manual; fail to operate your First Day Homecare Franchise in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.

<p>h. "Cause" defined- non-curable defaults</p>	<p>16.A(1) 16.A(2)</p>	<p>The following are defaults that cannot be cured: 3 or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the Operations Manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your First Day Homecare Franchise Locations; You or your owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information</p>
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<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT</u>	<u>SUMMARY</u>
		<p>from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your First Day Homecare Franchise Locations; You or your owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the Operations Manual and/or of confidential information; You or your owners engage in intentionally dishonest or unethical conduct that impacts our System; You and/or your owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify of us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final judgment is entered against the Franchise Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the Franchise Business and</p>

		<p>such action is not dismissed after 60 days; and/or real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; you abandon or fail to continuously own and operate the Franchised Business.</p>
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<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT</u>	<u>SUMMARY</u>
		<u>law enforcement officer; you abandon or fail to continuously own and operate the Franchised Business.</u>
i. Franchisee’s obligations on termination/ non-renewal	6, 17	You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the Operations Manual, the Business Management System, the Business Management System Data, and the System Supplies; return the Operations Manual and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and <u>abide by the post-termination non-competition covenants and restrictions.</u>
abide by the post-termination non-competition covenants and restrictions.		
j. Assignment of the contract by franchisor	14.A	No restriction on out our right to assign.
k. “Transfer” by franchisee- definition	14.B	A transfer means and includes, whether voluntary or involuntary, conditional, or unconditional, direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.
l. Franchisor’s approval of transfer by franchisee	14.B	Transfers require our prior written consent, which may be granted or withheld in our discretion.

<u>m. Conditions for franchisor's approval of transfer</u>	<u>14.C</u>	<u>Provide us with 30 days prior written notice of the proposed transfer; you and your</u>
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<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT</u>	<u>SUMMARY</u>
m. Conditions for franchisor's approval of transfer	14.C	<p>Provide us with 30 days prior written notice of the proposed transfer; you and your owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with us; you and your owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchise Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; and we approve of the transfer and <u>transferee in writing and subject to our discretion; you pay the Transfer Fee (Subject to applicable state laws).</u></p>
transferee in writing and subject to our discretion; you pay the Transfer Fee (Subject to applicable state laws).		
n. Franchisor's right of first refusal to acquire franchisee's business	14. F	We have the right to match any offer to purchase your First Day Homecare Franchise or the corporate entity operating your First Day Homecare Franchise.
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable.

p. Death or disability of franchisee	14.D	<p>If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved by us and within sixty days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If franchisee is a Corporate Entity, within 30 <u>90</u> days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.</p>
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<u>PROVISION</u>	<u>SECTION IN FRANCHISE AGREEMENT</u>	<u>SUMMARY</u>
		<u>approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program.</u>
q. Non-competition covenants during the term of the franchise	6	No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants.
r. Noncompetition covenants after the franchise is terminated or expires	6	No involvement, ownership, or interest whatsoever for three (1) year in any competing business in: your Franchise Territory; a 25-mile radius of your Franchise Territory and of the Franchise Territory of any other First Day Homecare Franchise; and you must comply with confidentiality, non-disclosure and non-solicitation covenants.
s. Modification of the agreement	18.L	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/ merger clauses	18.M	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise <u>Disclosure Document, its exhibits, and amendments.</u>
Disclosure Document, its exhibits, and amendments.		
u. Dispute resolution by arbitration or mediation	18.G	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Genesee County, Michigan and, if mediation is unsuccessful, then to binding arbitration in Genesee County, Michigan. This provision is subject to applicable state law.
v. Choice of forum	18.G	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest Genesee County, Michigan or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law

w. Choice of law	18.F	Michigan law will govern. However, this provision is subject to state law and as otherwise disclosed in Exhibit I to this Disclosure Document. (subject to applicable <u>APPLICABLE</u> state law).
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**ITEM 18
PUBLIC
FIGURES**

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This financial performance representation is based upon the historic operating revenues and certain expenses of the “Affiliate-Owned Outlet” that operated in Flint, Michigan for the entirety of the “Measuring Periods”, which cover the periods from January 1, **2021 to December 31, 2021 (“FY 2021”), from January 1, 2022 to December 31, 2022 (“FY 2022”), and from January 1, 2023 to December 31, 2023 (“FY 2023”), and from January 1, 2024 to December 31, 2024 (“FY 2024”).** We obtained these historical financial results from the profit and loss reports submitted by the Affiliate-Owned Outlet. There are no other outlets operated by us or our affiliates, and there are **no currently two** First Day Homecare businesses operated by franchisees as of the issuance date of this disclosure document. Neither **franchised outlet operated for the entirety of any Measuring Period, so they have been excluded from this financial performance representation.** Neither we nor a certified public accountant have independently audited or verified the information. The **Affiliate- Affiliate-Owned Outlet** operates in a **substantially materially** similar manner as franchised outlets will perform. **The Affiliate- ,except that the Affiliate-Owned Outlet** operates in a territory that is similar in size to two franchised **businesses territories, an approximate 800,000 individuals.**

In the Item 19 Table below, the historic Gross Revenue for the Affiliate-Owned Outlet during the Measuring **Period is Periods are** categorized annually based upon year of operation. **Except as discussed in the notes below, the Affiliate-Owned Outlet operates in a substantially similar manner to how your Franchised Business will operate.** The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

Gross Revenue and Certain Operating Expenses for Affiliate-Owned Outlet

ITEM	FY 2021	FY 2022	Year-Over-Year Change	FY 2023	Year-Over-Year Change FY 2022
Revenue					
Sales Gross Revenue	\$1,487,667	\$3,728,515	+150.6%	\$7,054,838	+89.2% \$8,900,000
COGS	\$28,348	\$453	-98.4%	\$1,500	+231.3% \$5,000
Gross Profit	\$1,459,319	\$3,728,062	+155.5%	\$7,053,338	+89.2% \$8,900,000
Expenses					
Rent	\$15,449	\$16,970	+9.8%	\$34,662	+104.3% \$53,000
Salaries and Wages	\$1,059,164	\$2,563,452	+142.0%	\$4,527,472	+76.6% \$5,880,000
Advertising	\$23,860	\$21,224	-11.0%	\$61,401	+189.3% \$88,000
Other Operating Expenses	\$262,685	\$598,803	+128.0%	\$765,726	+27.9% \$860,000

Franchise Adjustments					
Royalty	\$74,383	\$186,426	-	\$352,742	<u>-\$445,449</u>
Brand Fund	\$14,877	\$37,285	-	\$70,548	<u>-\$89,090</u>
Technology Fee	\$3,600	\$3,600	-	\$3,600	<u>-\$3,600</u>
Adjusted EBITDA (if franchised)	\$5,301	\$300,303	+5564.8%	\$1,237,186	+312.0% <u>\$1,47</u>
EBITDA Margin	0.36%	8.05%	+2160.2%	17.54%	+117.7 <u>16.6</u>

Notes to Table above:

1. **"Sales" Gross Revenue** means all revenue derived from providing services and/or products to clients. **Sales Gross Revenue** does not include taxes which were collected and paid to applicable governmental authorities or revenue for which there was a valid corresponding refund paid to the customer.
2. "Advertising" amounts reflect the actual amounts spent during the Measurement Period on local and digital marketing.
3. "Salaries and Wages" means the salaries and wages for office and field staff. We excluded payroll taxes, and any retirement and insurance benefits offered to employees. We have not included our affiliate's owners' salary in this amount. The owners operate the business on a day-to-day basis and their compensation is reflected in the Adjusted EBITDA (if franchised) in the table above.
4. **3.** Although the Company-Owned Outlet did not pay us franchise fees during the Measuring Period, we have included the actual amounts that would have been paid by the Company-Owned Outlet if it were operating under our current form of Franchise Agreement. We call the fees "Franchise Adjustments" in this table. The Royalty Fee is 5%, the Brand Fund Contribution is 1%, and the Technology Fee is \$300 per month.
5. **4.** "Adjusted EBITDA (if franchised)" means Sales minus Total Expenses. EBITDA does not include interest paid on debt, taxes, depreciation, or amortization expenses.
6. **5.** "EBITDA Margin (if franchised)" is the EBITDA (if franchised) figure expressed as a percentage of Total Sales.

Notes Regarding the Affiliate-Owned Outlet and Item 19 Generally:

1. The home-based pediatric care and service industry is highly competitive and affected by, among other things, changes in geographic area, changes in preferences, local, regional, and national economic conditions, population trends, and traffic patterns. Additionally, acquiring a site is highly competitive with other businesses for suitable sites. The performance of your Franchised Business will be affected by the region in which you operate, your competitors, and the success you have in marketing and managing your operations.

~~conditions, population trends, and traffic patterns. Additionally, acquiring a site is highly competitive with other businesses for suitable sites.~~

2. **3.** Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

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

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Emily Wiechmann, First Day Franchising, LLC, 4444 W Bristol Rd. Suite 100, Flint, Michigan 48507, (810)-815-9045, Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1
SYSTEMWIDE OUTLET
SUMMARY
FOR YEARS 2021 TO 2023 2022 TO 2024**

Outlet Type	Year	Outlets at Start of the Year	Outlets at End of the Year	Net
Franchised	2021 <u>2022</u>	0	0	-
	2022	0	0	-
Company-Owned	2023	0	0	-
	<u>2021</u> <u>2024</u>	<u>10</u>	1	<u>-+1</u>
	2022	1	1	-
Company-Owned	2023	1	1	-
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>=</u>
	Total Outlets	2021 <u>2022</u>	1	1
	2022	1	1	-
	2023	1	1	-
	<u>2024</u>	<u>1</u>	<u>2</u>	<u>+1</u>

**TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES
TO NEW OWNERS (OTHER THAN THE
FRANCHISOR) FOR YEARS 2021 TO 2023 2022
TO 2024**

STATE	YEAR	NUMBER OF TRANSFERS
Total Outlets	2021 <u>2022</u>	0
	2022	0
	2023	0
	<u>2024</u>	<u>0</u>

**TABLE NO. 3
STATUS OF FRANCHISED
OUTLETS FOR YEARS 2021 TO
20232022 TO 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of Year
2021	0	0	0	0	0	0	0	
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Total	<u>2023</u>	<u>0</u>						
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

[Remainder of page intentionally left blank. Item 20 continues next page.]

TABLE NO. 4
STATUS OF COMPANY OWNED
OUTLETS FOR YEARS 2021 TO
20232022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired by Franchisor	Outlet Closed	Outlets Sold to Franchisees	Outlets at End of Year
	2021	1	0	0	0	1	
Michigan MI	2022	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u> <u>2024</u>	1	0	0	0	0	1
	2021	1	0	0	0	1	
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31,
20232024

State	Franchise Agreements Signed but not Opened	Projected New Franchised Outlets to be Open in the Next Fiscal Year	Projected New Company Owned Outlets to be Opened in the Next Fiscal Year
<u>CA</u>	<u>2</u>	<u>0</u>	<u>0</u>
<u>FL</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>GA</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>IN</u>	<u>1</u>	<u>0</u>	<u>0</u>
Michigan MI	0	3	0
<u>NJ</u>	<u>3</u>	<u>0</u>	<u>0</u>
<u>UT</u>	<u>1</u>	<u>0</u>	<u>0</u>
<u>VA</u>	<u>1</u>	<u>0</u>	<u>0</u>
Totals	<u>010</u>	3	0

Our fiscal year ends on December 31 of each year.

In Exhibit C we have listed the namesIf you buy this franchise, addresses, and your contact information **for all franchisees as of the end of our previous fiscal year.**may be disclosed to other buyers when you leave the franchise system.

Also in Exhibit C, we have listed the The franchisor is providing a list of names, city and state and business (or, if unknown, home) telephone numbers of every franchisee who ceased doing business under the franchise agreement or had an outlet terminated, canceled, or not renewed within the last fiscal year and will provide a similar list for every franchisee who has not communicated with the franchisor within ten (10) weeks of the Issuance date. **There are none.**

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise **system** or System.

During the last three (3) years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our system.

There are no franchisee organizations as of the our previous fiscal year end.

**ITEM 21
FINANCIAL STATEMENTS**

Attached to this disclosure document as Exhibit **A is D** is our audited financial statements as of December 31, 2024, our audited closing balance sheet as of December 31, 2023, **unaudited interim and our audited opening** balance sheet as of May 31, 2024, **unaudited statement of operations and cash flows from January 1, 2024 through May 1, 2024, and unaudited profit and loss statement from January 1, 2024 through December 11, 2024. As we were formed in May, 2022 and began franchising in July, 2023**2023. We have also included a Statement of No Business Activity for 2022. Although we were formed in May 2022, we did not begin operating until July 2023, therefore, we have not been in business for three years or more and cannot include all of the financial statements required by the FTC Rule **for our last three fiscal years**. Our fiscal year ends on December 31.

**ITEM 22
CONTRACTS**

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Contract	Location in this Disclosure Document
Franchise Agreement (FA)	Exhibit E
Personal Guaranty	Attachment to the FA
Franchisee Compliance Questionnaire	Attachment to the FA
Form of General Release	Exhibit G
Form of Confidentiality and Noncompete Agreement	Exhibit H
State-Required Franchise Agreement Riders	Exhibit I

Individual state law may supersede the provisions contained in your Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale, or transfer. See the state specific addendums contained in Exhibit I of this Disclosure Document.

**ITEM 23
RECEIPT
S**

The last two pages of this Disclosure Document are detachable duplicate Receipts that serve as an acknowledgement of your receipt of a copy of this Disclosure Document. You should sign both copies of the Receipt and return one copy to us.

THESE 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.

First Day Franchising, LLC

(A Michigan Limited Liability Company)

Financial Statements with Report of Independent Auditors
December 31, 2024, and 2023

Report of Independent Auditors

To the Members of
First Day Franchising, LLC:

Opinion

We have audited the accompanying financial statements of First Day Franchising, LLC, a Michigan limited liability company, which comprise the balance sheets as of December 31, 2024, and December 31, 2023, and the related statements of operations, changes in equity and cash flow for the years ended December 31, 2024, and December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after April 2, 2025.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

DA Advisory Group PLLC

Troy, MI
April 2, 2025

First Day Franchising,
LLC BALANCE SHEETS
As of December 31, 2024 and 2023

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<u>ASSETS</u>		
<u>Current assets:</u>		
<u>Cash and cash equivalents</u>	\$ 252,186	\$ 67,249
<u>Accounts receivable</u>	-	-
<u>Other current assets:</u>		
<u>Deferred commissions - short term</u>	107,378	-
<u>Total current assets</u>	359,564	67,249
<u>Noncurrent assets:</u>		
<u>Computer equipment</u>	5,323	-
<u>Accumulated depreciation</u>	(253)	-
<u>Deferred commissions - long term</u>	127,273	-
<u>Total noncurrent assets</u>	132,343	-
<u>Total assets</u>	\$ 491,907	\$ 67,249

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:

First Day Franchising LLC	
Profit and Loss	
January 1 - December 11, 2024	
	TOTAL
Income	
Franchise Fee Services	542,500.00
Total Income	\$546,501.00
GROSS PROFIT	\$546,501.00
Expenses	
Advertising & marketing (deleted)	58,271.99
Commissions & fees	233,435.00

see accompanying notes

Contract labor (deleted)		24,939.37
Dues & subscriptions - old		10,352.21
Employee 401k		6,069.23
Contribution Employee		
benefits		3,763.54
Health insurance & accident plans		
Total Employee benefits		3,763.54
G&A		
Expenses		216.75
Bank		
Charges		
Dues & Subscription		1,329.15
Insurance		343.00
Meals for Team		78.11
Office Supplies	Credit cards	\$ 6,898
		678.92
		<u>6,789</u>
Payroll Expenses	liabilities	1,161
		231.69
Payroll Taxes	Deferred revenue - short	281,991
	term	
		<u>8,384.80</u>
Wages - Management	Total current	290,050
	liabilities	
		<u>11,361.29</u>
		<u>6,789</u>
<u>Noncurrent liabilities</u>		
Deferred revenue - long term	327,292	-
Total noncurrent liabilities	327,292	-
Total liabilities	617,342	6,789
Members' equity	(125,436)	60,460 Total
liabilities and members' equity	\$ 491,907	\$ 67,249

see accompanying notes

First Day Franchising, LLC
STATEMENTS OF
OPERATIONS
For the Years Ended December 31, 2024 and 2023

**First Day Franchising
LLC**

January 1 - December 11, 2024

Income	
Franchise Services	54
Total Income	\$54
GROSS PROFIT	\$54
Expenses	
Advertising & marketing (deleted)	5
Commissions & fees	23
Contract labor (deleted)	2
Dues & subscriptions - old	1
Employee 401k	
Contribution Employee benefits	
Total Employee benefits	
G&A Expenses	
Dues & Subscription	
Insurance	
Meals for Team	
Office Supplies	
Payroll Expenses	
Payroll Taxes	
Wages - Management	1
Wages - Officers	2
Total Payroll Expenses	4
Professional Fees Consulting	3
Total Professional Fees	3
Travel	
Travel meals	
Total Travel	
Utilities	
Internet, Phone, & Streaming services	
Total Utilities	

see accompanying notes

Total G&A Expenses	8
General business expenses (deleted)	
Bank fees & service charges (deleted)	
Total General business expenses	
Insurance (deleted)	
Liability insurance (deleted)	
Total Insurance (deleted)	

First Day Franchising LLC

January 1 - December 11, 2024

Legal & accounting services	3
Legal Fees	
Total Legal & accounting services	3
Office expenses	
(deleted) Office	
Software & apps (deleted)	
Total Office expenses (deleted)	
Payroll expenses -	
old Salaries & wages	
Total Payroll expenses - old	
QuickBooks Payments	
Fees Sales & Marketing	
Offline Marketing	
Online Marketing	2
Total Sales & Marketing	2
Taxes paid	
Payroll taxes - old	
Total Taxes paid	
Travel (deleted)	
Utilities (deleted)	
Total Expenses	\$49
NET OPERATING INCOME	\$5
NET INCOME	\$5

	<u>2024</u>	<u>2023</u>
<u>REVENUE</u>		
Franchise income	\$ 59,217	\$ -
Royalties	3,901	-
Advertising income	-	-

see accompanying notes

<u>Total revenue</u>	<u>63,118</u>	=
<u>OPERATING EXPENSES</u>		
<u>Selling and administrative expenses</u>	<u>363,814</u>	<u>79,562</u>
<u>Operating loss</u>	<u>(300,696)</u>	<u>(79,562)</u>
<u>OTHER INCOME (EXPENSE)</u>		
<u>Net other income (expense)</u>	<u>-</u>	<u>-</u>
<u>Net loss</u>	<u>\$ (300,696)</u>	<u>\$ (79,562)</u>

see accompanying notes

First Day Franchising, LLC
STATEMENTS OF CHANGES IN MEMBERS'
EQUITY
For the Years Ended December 31, 2024 and 2023

	<u>Total</u> <u>Equity</u>
<u>BALANCE, JANUARY 1, 2023</u>	<u>\$ -</u>
<u>Contributions</u>	<u>140,022</u>
<u>Distributions</u>	<u>-</u>
<u>Net loss</u>	<u>(79,562)</u>
<u>BALANCE, DECEMBER 31, 2023</u>	<u>\$ 60,460</u>
<u>Contributions</u>	<u>114,800</u>
<u>Distributions</u>	<u>-</u>
<u>Net loss</u>	<u>(300,696)</u>
<u>BALANCE, DECEMBER 31, 2024</u>	<u>\$ (125,436)</u>

see accompanying notes

First Day Franchising, LLC
STATEMENTS OF CASH
FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
<u>Net income</u>	\$ (300,696)	\$ (79,562)
<u>Change in:</u>		
<u>Accounts receivable</u>	-	-
<u>Accounts payable and other current liabilities</u>	1,270	6,788
<u>Depreciation expense</u>	253	-
<u>Deferred commission expense</u>	(234,651)	-
<u>Deferred franchise fees</u>	609,283	-
<u>Net cash provided by operating activities</u>	<u>75,460</u>	<u>(72,773)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<u>Purchase of computer equipment</u>	<u>(5,323)</u>	<u>-</u>
<u>Net cash used by investing activities</u>	<u>(5,323)</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
<u>Partner capital contributions</u>	<u>114,800</u>	<u>140,022</u>
<u>Net cash provided by financing activities</u>	<u>114,800</u>	<u>140,022</u>
<u>Net change in cash and cash equivalents</u>	<u>\$ 184,937</u>	<u>\$ 67,249</u>
<u>Cash and cash equivalents at beginning of year</u>	<u>67,249</u>	<u>-</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 252,186</u>	<u>\$ 67,249</u>
<u>Total cash and cash equivalents</u>	<u>\$ 252,186</u>	<u>\$ 67,249</u>

see accompanying notes

First Day Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024, and 2023

1. Organization

First Day Franchising, LLC (the “Company”) is a Michigan limited liability company. The Company was formed in May 2022 for the purpose of providing nursing staff to the families in the United States.

For the years ended December 31, 2024, and 2023, total contributed capital was \$ 114,800 and \$140,022, respectively.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

As of December 31, 2024, and 2023, the company had accounts receivable of \$0 and \$0, respectively. The balance is deemed fully collectable, and no reserve has been established.

Franchise arrangements

The Company’s franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could vary from those estimates.

Fixed assets

The company acquired computer equipment during the year 2024 for a total cost of \$5,326. As of December 31, 2024, the net book value of the equipment stands at \$5,069, reflecting depreciation and any adjustments made during 2024.

Advertising and marketing

Advertising and marketing costs are expensed as incurred. For the years ended December 31, 2024, and 2023, the Company incurred \$0 and \$38,411, respectively, in advertising costs.

First Day Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024, and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes

The Company filed an election with the Internal Revenue Service to be treated as a flow-through entity for all taxable years. Therefore, the Company is not subject to corporate income tax and all taxable income or loss will pass through to the individual owners of the Company.

Revenue recognition and associated costs

For franchise revenues, the Company has obligations to provide franchisees with the franchise rights to open a business within the franchise system, provide training, and assist with territory selection. The Company's revenue recognition policies for franchise fees are in compliance with accounting standards ASC Topic 606, Revenue from Contracts with Customers. In 2020, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU), Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient. The expedient has allowed franchisors that are not public business entities to account for pre-opening activities as a single performance obligation. The Company has concluded that these preopening activities represent performance obligations to which the franchise fee is allocated. Therefore, initial franchise fees for each agreement are allocated to the Company's performance obligation and recognized as these preopening activities are performed, which typically aligns with the date a franchisee opens.

The Company has entered into a franchise agreement during 2024 for the period of 10 years, that generates royalties based on monthly sales reports as well as an initial franchise fee. Services performed to train and equip the franchisee to begin operations result in a first year recognition of \$29,400. The balance of the initial fee is amortized over the life of the contract in accordance with ASC-606. Additionally, marketing revenue is earned monthly as billed.

The Company bills and collects monthly royalties which are based on gross revenue reports. Additionally, the Company reserves the establish and bill for monthly call center and internal systems fees. These fees would be earned monthly as invoiced.

Disaggregation of revenues

The Company disaggregates revenue from contracts with customers by the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

First Day Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024, and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Revenues by timing of recognition were as follows for the years ended December 31:

	2024	2023
<u>Point in time:</u>		
<u>Royalties, marketing and other revenue</u>	\$ 3,901	\$ -
<u>Franchise fees</u>	58,800	-
<u>Total point in time</u>	62,701	-
 <u>Over time:</u>		
<u>Royalties, marketing and other revenue</u>	-	-
<u>Franchise fees</u>	417	-
<u>Total over time</u>	417	-
 <u>Total revenue</u>	 \$ 63,118	 \$ -

Contract balances

The Company recorded an asset for acquisition costs incurred to obtain franchise agreements and a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements.

A summary of acquisition costs as of December 31 is as follows:

	2024	2023
<u>Deferred acquisition costs - beginning</u>	\$ -	\$ -
<u>Additional costs incurred</u>	280,455	-
<u>Deferred acquisition costs recognized</u>	(45,804)	-
<u>Deferred acquisition costs - ending</u>	\$ 234,651	\$ -

First Day Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024, and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Deferred acquisition costs are expected to be amortized over the remaining term of the associated franchise agreement as follows:

Year ending December 31, 2024:

<u>2025</u>	<u>\$ 107,378</u>
<u>2026</u>	<u>12,953</u>
<u>2027</u>	<u>12,953</u>
<u>2028</u>	<u>12,953</u>
<u>2029</u>	<u>12,953</u>
<u>Thereafter</u>	<u>75,461</u>
<u>Total</u>	<u>\$ 234,651</u>

Year ending December 31, 2023:

<u>2024</u>	<u>\$ -</u>
<u>2025</u>	<u>-</u>
<u>2026</u>	<u>-</u>
<u>2027</u>	<u>-</u>
<u>2028</u>	<u>-</u>
<u>Thereafter</u>	<u>-</u>
<u>Total</u>	<u>\$ -</u>

A summary of deferred franchise revenue as of December 31 is as follows:

	<u>2024</u>	<u>2023</u>
<u>Deferred revenue - beginning</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Franchise fees</u>	<u>668,500</u>	<u>-</u>
<u>Franchise fees recognized</u>	<u>(59,218)</u>	<u>-</u>
<u>Deferred revenue - ending</u>	<u>\$ 609,283</u>	<u>\$ -</u>

First Day Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024, and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Deferred franchise fee revenue is expected to be earned over the remaining term of the associated franchise agreement as follows:

Year ending December 31, 2024:

<u>2025</u>	<u>\$ 281,991</u>
<u>2026</u>	<u>33,213</u>
<u>2027</u>	<u>33,213</u>
<u>2028</u>	<u>33,213</u>
<u>2029</u>	<u>33,213</u>
<u>Thereafter</u>	<u>194,440</u>
<u>Total</u>	<u>\$ 609,283</u>

Year ending December 31, 2023:

<u>2024</u>	<u>\$ -</u>
<u>2025</u>	<u>-</u>
<u>2026</u>	<u>-</u>
<u>2027</u>	<u>-</u>
<u>2028</u>	<u>-</u>
<u>Thereafter</u>	<u>-</u>
<u>Total</u>	<u>\$ -</u>

3. Subsequent events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non- recognized subsequent events that would have required further adjustment or disclosure in the financial statements through April 2, 2025, the date the financial statements were available to be issued.

First Day Franchising, LLC

(A Michigan Limited Liability Company)

Balance Sheet with Report of Independent Auditors
May 31, 2023

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Report of Independent Auditors

To the Members of
First Day Franchising, LLC:

Report on the Financial Statements

We have audited the accompanying financial statements of First Day Franchising, LLC, a limited liability company, which comprise the balance sheet as of May 31, 2023, and the related notes to 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 First Day Franchising as of May 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

DA Advisory Group

Troy, MI
July 21, 2023

First Day Franchising, LLC

BALANCE SHEET

May 31, 2023

	<u>May 31, 2023</u>
<u>Assets</u>	
<u>Current Assest:</u>	
<u>Cash</u>	<u>\$ 99,194.76</u>
<u>Total Current Asset</u>	<u>\$ 99,194.76</u>
<u>Total Asset</u>	<u><u>\$ 99,194.76</u></u>
<u>Liabilities and Stockholders' Equity</u>	
<u>Total Liabilities</u>	<u>-</u>
<u>Equity</u>	<u>\$ 103,722.00</u>
<u>Net Income</u>	<u>(4,527.24)</u>
<u>Total Equity</u>	<u>\$ 99,194.76</u>
<u>Total liabilities and stockholders' equity</u>	<u><u>\$ 99,194.76</u></u>

First Day Franchising, LLC
NOTES TO FINANCIAL STATEMENTS
May 31, 2023

1. Organization

First Day Franchising, LLC (the “Company”) is a Michigan limited liability company. The Company was formed in May 2022 for the purpose of providing nursing staff to the families in the United States.

For the period ended May 31, 2023, total contributed capital was \$103,722.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and expenses

Operating income consists of contractual franchise royalties based on a percentage of monthly sales which are recognized as revenue in the month earned as well as revenue from other contractual agreements.

Initial franchise fees are recognized as revenue once substantially all of the initial services of the Company required by franchise agreement have been performed and no other material conditions or obligations related to the determination of substantial performance exist. As of May 31, 2023, initial franchise fees were \$0.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which, could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception and have not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Subsequent events

Subsequent events have been evaluated through July 21, 2023 which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the balance sheet or disclosure.



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Activity – First Day Franchising LLC

DA Advisory Group PLLC confirms that First Day Franchising LLC ("Franchisor") had no operational activity to our knowledge in 2022 with the Franchisor's first financial activity existing in 2023.

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List of State Regulatory Administrators

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by 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:

LIST OF STATE ADMINISTRATORS	
<p><u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking</p>
<p><u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p>(213) 576-7500 Toll Free (866) 275-2677</p>	<p>260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p><u>HAWAII</u> HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> ILLINOIS Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p>Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p>(317) 232-6681</p>	<p>(410) 576-6360</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office</p>	<p><u>MINNESOTA</u> Minnesota Department of Commerce</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p>	<p><u>MINNESOTA</u> Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p>
<p>525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933</p>	<p>St. Paul, Minnesota 55101-2198 (651) 539-1600</p>

(517) 373-7117

NEW YORK

**New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor**

NORTH DAKOTA

~~North Dakota Securities Department~~
**State Capitol
Department 414**

NEW YORK

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

NORTH DAKOTA

North Dakota Securities Department State
Capitol
Department 414
600 East Boulevard Avenue, Fourteenth Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

(212) 416-8222

**Bismarck, North Dakota 58505-0510
(701) 328-4712**

OREGON

~~Department of Business Services~~

RHODE ISLAND

**Department of Business Regulation Securities Division,
Building 69, First Floor**

OREGON

Department of Business Services

Division of Finance and Corporate
Securities Labor and Industries
Building
350 Winter Street, NE Room 410
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation Securities Division, Building
69, First Floor
John O. Pastore Center 1511
Pontiac Avenue
Cranston, Rhode Island 02920 (401)
462-9527

**Labor and Industries Building
350 Winter Street, NE Room 410
Salem, Oregon 97310
(503) 378-4387**

**1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9527**

SOUTH DAKOTA

**Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104**

VIRGINIA

~~State Corporation Commission
Division of Securities and Retail Franchising~~
1300 East Main Street, 9th Floor

SOUTH DAKOTA

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

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising 1300
East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

(605) 773-3563

(804) 371-9051

WASHINGTON

**Department of Financial Institutions
Securities Division,
P.O. Box 41200**

WISCONSIN

**Division of Securities
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705**

WASHINGTON

Department of Financial
Institutions Securities
Division,
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

Division of Securities
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(360) 902-8760

List of Agents for Service of Process

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by 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:

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
<p><u>CALIFORNIA</u> Commissioner</p>	<p><u>CONNECTICUT</u> Banking Commissioner</p>
<p><u>CALIFORNIA</u> <u>Commissioner</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677</p>	<p><u>CONNECTICUT</u> <u>Banking Commissioner</u> Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p>320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677</p>	<p>Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p><u>HAWAII</u> <u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> <u>ILLINOIS</u> Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p>Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111</p>	<p><u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p>(317) 232-6681</p>	<p>(410) 576-6360</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office</p>	<p><u>MINNESOTA</u> Minnesota Commissioner of Commerce</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p>	<p><u>MINNESOTA</u> Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p>
<p>525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p>	<p>85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p>
<p><u>NEW YORK</u> Secretary of State 99 Washington Avenue</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities Commissioner State Capitol</p>

<p><u>NEW YORK</u> Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 472-2492</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712</p>
<p>(518) 472-2492 Bismarck, North Dakota 58505 (701) 328-4712</p>	
<p><u>OREGON</u> Secretary of State</p>	<p><u>RHODE ISLAND</u> Director of Department of Business Regulation</p>
<p><u>OREGON</u> Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200</p>	<p><u>RHODE ISLAND</u> Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p>255 Capitol Street NE, Suite 151 John O. Pastore Center Salem, OR 97310-1327 1511 Pontiac Avenue (503) 986-2200 Cranston, Rhode Island 02920 (401) 462-9527</p>	
<p><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104</p>	<p><u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219</p>
<p><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p><u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (a804) 371-9733</p>
<p>(605) 773-3563</p>	
<p><u>WASHINGTON</u> Director, Department of Financial Institutions</p>	<p><u>WISCONSIN</u> Administrator, Division of Securities</p>
<p><u>WASHINGTON</u> Director, Department of Financial Institutions Securities Division, 3rd Floor P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760</p>	<p><u>WISCONSIN</u> Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>
<p>150 Israel Road, Southwest Madison, Wisconsin 53705 Tumwater, Washington 98501 (608) 266-2139 (360) 902-8760</p>	

EXHIBIT C

LIST OF CURRENT FRANCHISEES

CURRENT FRANCHISEES AS OF DECEMBER 31, 2023
NONE.2024

Franchisees Open and Operating as of December 31, 2024

<u>Territory</u>	<u>Franchisee Contact</u>	<u>Address</u>	<u>Phone Number</u>
<u>Phoenix, AZ</u>	<u>Mitchell Brodsky</u>	<u>2300 E. Campbell Ave. #202, Phoenix, AZ 85016</u>	<u>310-437-9205</u>

Franchisees who have signed but not opened as of December 31, 2024

<u>Territory</u>	<u>Franchisee Contact</u>	<u>Address</u>	<u>Phone Number</u>
<u>Concord, CA</u>	<u>Irmeen Ashraf</u>	<u>38250 Ashford Way Fremont, CA 94536</u>	<u>510-579-8332</u>
<u>Sacramento, CA</u>	<u>Vincent Harris</u>	<u>1013 Shire Ct. Fairfield, CA 94533</u>	<u>707-208-0892</u>
<u>Orlando, FL</u>	<u>Shamol Williams</u>	<u>3620 Voyager Ln. Sanford, FL 32773</u>	<u>407-430-8978</u>
<u>NE Atlanta, GA</u>	<u>Brad Greeson</u>	<u>351 8th St. NE Atlanta, GA 30309</u>	<u>770-676-4463</u>
<u>Fort Wayne, IN</u>	<u>Loreal & Gerrick Ratliff</u>	<u>4430 W. 78th Ave. Merrillville, IN 46410</u>	<u>312-605-6770</u>
<u>Newark, NJ</u>	<u>Hima Chitalia & Grishma Nagar</u>	<u>16 Johnstone St. Edison, NJ 08817</u>	<u>734-560-4545</u>
<u>Atlantic City, NJ</u>	<u>Hima Chitalia & Grishma Nagar</u>	<u>16 Johnstone St. Edison, NJ 08817</u>	<u>734-560-4545</u>
<u>Trenton, NJ</u>	<u>Hima Chitalia & Grishma Nagar</u>	<u>16 Johnstone St. Edison, NJ 08817</u>	<u>734-560-4545</u>
<u>Utah</u>	<u>Kenneth Plymale</u>	<u>369 West 2875 North Lehi, UT 84043</u>	<u>385-535-3066</u>
<u>Virginia Beach, VA</u>	<u>Audrey Day</u>	<u>4701 Shore Dr., STE 103-424 Virginia Beach, VA 23455</u>	<u>801-631-2163</u>

FORMER FRANCHISEES

AS OF DECEMBER 31,

2023 NONE.



FRANCHISE AGREEMENT

between

FIRST DAY FRANCHISING, LLC

and

FRANCHISEE

FIRST DAY FRANCHISING, LLC

FRANCHISE AGREEMENT

This Franchise Agreement (the “Agreement”) is entered into as of the date signed by Franchisor (“Effective Date”), by and between First Day Franchising, LLC a Michigan limited liability company with a principal place of business located at 4444 W Bristol Rd, Ste 100, Flint, Michigan 48507, (the “Franchisor”) and the individual(s) or entity listed as “Franchisee” in Attachment A to this Agreement (the “Franchisee”).

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the “System”) for the establishment, development and operation of an in-home care business that provides home care services that include Personal Care Services, Private Duty Nursing, and Pediatric Applied **Behavioral Behavior** Analysis (ABA) Therapy, and other services using our system and under First Day Homecare Franchise marks and, other services and products (the “Approved Services and Products”) under the Licensed Marks (defined below) (each, a “Franchised Business”, or “First Day Homecare Business”);

WHEREAS, the System and, therefore, each First Day Homecare Business, is identified by the Licensed Marks and distinctive trade dress, service offerings, business formats, office equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time; and

WHEREAS, Franchisee desires to obtain the non-exclusive license and right to use the System in the development and operation of a First Day Homecare Business within a designated operating territory and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree, as follows:

ARTICLE 1. DEFINITION S

Supplementing the terms and definitions contained in the foregoing “Recitals”:

“**Accounting Period**” refers to and means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor and Franchisee’s payment of all fees, including, and other obligations under this Agreement. The respective “Accounting Period” shall be those Franchisor designated times, whether, weekly, monthly, or otherwise, as designated by Franchisor, with all such Accounting Periods automatically commencing on the earlier of the (a) Scheduled Business Commencement Date, or (b) the Actual Business Commencement Date of the Franchised Business and, continuing, throughout the Term of this Agreement.

“**Actual Business Commencement Date**” refers to and means the date **of the grand opening of the Franchised Business and/or the date** upon which the Franchised Business is open to the public or the date upon which the Franchised Business has completed all material pre-opening requirements and can begin offering services to the public.

“**Administrative Office(s)**” refers to and means the fixed administrative offices and/or facilities from

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LLC. Each franchise is independently owned and operated.

“**Advertising Contributions**” refers to and means any and all obligations of Franchisee to contribute to or pay fees to Franchisor, Franchisor’s affiliate and/or designees as set forth in this Agreement including, but not limited to, the Brand Development Fund Fee (Article 9.A) and the Advertising Cooperative fees (Article

First Day Homecare

9.G).

“**Advertising Cooperative**” shall have the meaning defined and set forth in Article 9.G. of this Agreement.

“**Ancillary Agreements**” refers to and means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee but, not including this Agreement; (b) Franchisor and each of Franchisee’s Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee’s Owners, whether individually and/or collectively. **Without limitation to the foregoing, the term Ancillary Agreements includes the Franchise Owner and Spouse Agreement and Guaranty, Lease Agreement Rider, Collateral Assignment of Lease and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.**

“**Annual Conference Attendance Fee**” refers to and means an annual conference fee to be paid by Franchisee to Franchisor in an amount determined by Franchisor but not to exceed **\$1,200 annually**. [an annual amount of \\$1,200 per person.](#)

“**Annual System Conference**” refers to and means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among First Day Homecare Business franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content, and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee’s travel to and attendance at the Annual System Conference.

“**Approved Services and Products**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean refers to and means those products and services that Franchisor authorizes for sale by First Day Homecare Businesses. Franchisor shall exclusively designate and determine the Approved Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the Approved Services and Products, shall designate the Approved Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

“**Brand Development Fund**” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“**Brand Development Fund Fee**” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

“**Business Management System**” refers to and means the software, internet, web based and/or cloud-based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by Franchisor, in Franchisor’s Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not

System utilized by Franchisee; (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“**Competitive Business**” refers to and means any business that is the same as or similar to a First Day Homecare Business including, but not limited to, any business that offers and/or provides services and/or products relating to providing individuals with home care services that include Personal Care Services, Private Duty Nursing, and Pediatric Applied **Behavioral Behavior** Analysis (ABA) Therapy, and other services; (ii) provides other services and products substantially similar to the Approved Services and Products; or (iii) provides other services using our system and under the First Day Homecare marks when such use is outside of the scope of the Franchise Agreement or otherwise unauthorized.

“**Confidential Information**” refers to and means all of Franchisor’s and/or Franchisor’s affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of this Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of First Day Homecare Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by First Day Homecare Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of First Day Homecare Businesses; (d) customer lists and information related to First Day Homecare Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

“**Confidentiality Agreement**” refers to and means the form of “Confidentiality Agreement” attached to the Franchise Disclosure Document as Exhibit H.

“**Controlling Interest**” a Controlling Interest shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

“**Copyrights**” refers to and means all works and materials for which Franchisor or any affiliate of Franchisor has secured common law or registered copyright protection and Franchisor utilizes and/or allows First Day Homecare Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a First Day Homecare Business, whether as of the Effective Date of this Agreement or any time in the future.

“**Corporate Entity**” refers to and means a corporation, **Limited Liability Company**limited liability company, partnership, or other corporate legal entity that is not an individual person.

“**Digital Media**” refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by

software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to, First Day Homecare Businesses, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System Website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub- domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Due Date**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Effective Date**” shall be the date set forth, defined, and referred to in the first paragraph of this Agreement.

“**Encroachment Fee**” refers to and means the fee you will pay to a franchisee in the event you conduct services in their Territory.

“**Franchise Disclosure Questionnaire**” refers to and means the form of “Franchise Disclosure Questionnaire” attached to this Agreement as Attachment **EC**.

“**Franchise Owner and Spouse Agreement and Personal Guaranty**” refers to and means the form of agreement attached to this Agreement as Attachment B. The Franchise Owner **and Spouse Agreement and Personal** Guaranty is an agreement and guarantee individually, jointly and severally entered into by the Owners and Spouses of Franchisee.

“**Franchised Business**” refers to and means the First Day Homecare Business that Franchisee shall develop and is required to establish, maintain and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the Operations Manual. Without limitation to the foregoing, the Franchised Business shall be exclusively established, maintained, owned and operated by Franchisee within Franchisee’s designated Operating Territory and in accordance with the terms of this Agreement.

“**Franchisee’s Administrative Office**” refers to and means the Administrative Office from which Franchisee manages the Franchised Business.

“**Franchisor’s Reasonable Business Judgment**” refers to, means, and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System generally, First Day Homecare Businesses and/or the Franchised Business where Franchisor undertakes or makes such decision with the intention of benefitting or acting in a way that could benefit the System. When making decisions and/or taking actions in Franchisor’s Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor’s profits; enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining operating territory markets, minimizing potential customer confusion as to the location of First Day Homecare Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor’s Reasonable Business Judgment that such decision, determination, action, or choice shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor’s Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor’s

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LLC. Each franchisee is independently owned and operated.

profits; (b) Franchisor shall not be required to consider

~~interest in seeking to maximize Franchisor's profits; (b) Franchisor shall not be required to consider~~ Franchisee's individual economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor's obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for Franchisor's Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor's Reasonable Business Judgment in any legal proceeding that Franchisee possesses the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor's Reasonable Business Judgment.

"GAAP" refers to and means United States Generally Accepted Accounting Principles.

"Gross Revenue" refers to and means the total dollar sales from all business and customers of the Franchised Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business and/or Operating Territory, whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. Supplementing the foregoing, Gross Revenue further includes the total gross amount of revenues and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Operating Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated within the Operating Territory, outside the Operating Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee's operation of a Competitive Business and/or the operation of a First Day Homecare Business outside of the Operating Territory). Gross Revenue does not include sales or use taxes collected by Franchisee.

"Home Care Gross Revenue" refers to Gross Revenue obtained from the Franchised Business's rendering of the following services: personal care, private duty nursing, Pediatric Applied Behavior Analysis (ABA) Therapy, and other services provided directly by the Franchised Business.

"Home Care Royalty Rate" refers to the Royalty Rate applicable to Home Care Gross Revenue.

"Immediate Family Member" refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Member shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

"IP Claim" shall have the meaning defined and set forth in Article 11.E of this Agreement.

"Know-How" refers to means Franchisor's trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a First Day Homecare Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

"Legacy Customers" refers to customers serviced in a previously Open Area that a System franchisee or Franchisee may continue to service when such former Open Area becomes an Assigned Area as set forth in the Reserved Rights.

Franchisor's initial training program; (c) sign the Confidentiality Agreement; and (d) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

“Operating Territory” shall have the meaning defined and set forth in Article 2.A. of this Agreement.

“Operations Manual” refers to and means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of First Day Homecare Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of First Day Homecare Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor's Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor's modification from time to time and based on Franchisor's Reasonable Business Judgment, the Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and provided by the Franchised Business and the System Supplies that must be exclusively utilized by the First Day Homecare Business. Only Approved Services and Products may be offered and sold by the Franchised Business. Only System Supplies may be utilized by Franchisee in the operations of the Franchised Business.

“Operations Non-Compliance Fee” shall have the meaning defined and set forth in Article 7.J. of this Agreement.

“Out of Territory Service Request” refers to and means a written documentation that is prepared and submitted in accordance with Franchisor's standards and specifications wherein Franchisee: (a) identifies the name and contact information of a prospective customer located in an Open Area that has requested the services of Franchisee's First Day Homecare Business; (b) identifies the date for the proposed services and/or products to be provided by the Franchised Business; and (c) requests Franchisor's written notification either approving or disapproving Franchisee's request to provide Approved Services and Products on behalf of the prospective Open Area customer.

“Owner” refers to and means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if Franchisee is a limited liability company, (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee's Owners are identified in Attachment A to this Agreement.

“Payment Non-Compliance Fee” shall have the meaning defined and set forth in Article 5.D. of this Agreement.

“Performance and Royalty Report” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“Post-Term Restricted Period” refers to and means the 3-year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Post-Term Restricted Period” means the 2-year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity.

“Primary Operating Territory” Refers to and means an Operating Territory comprised of **around 350,000 to 400,000** people. The size of your Territory may vary from the territory granted to other franchisees based on the location

and demographics surrounding your Franchise Business. Franchisor, in Franchisor's reasonable business judgment, maintains the sole and exclusive discretion as to what constitutes a Primary Operating Territory.

"Prohibited Activities" shall have the meaning defined and set forth in Article 6.D. of this Agreement.

"Published Content" refers to and means any and all information, data, articles, blog posts, press releases, frequently asked questions, special offers, product information, service information, web posts, videos and other information relating to or concerning the Franchised Business, the System, or the Licensed Marks that is or was made available by Franchisee or Franchisee's agents to the public in print or electronic media that is published, listed, made available, uploaded on, downloaded to or posted to Digital Media.

"Renewal Ancillary Agreements" shall have the meaning defined and set forth in Article 15.B. of this Agreement.

"Renewal Fee" The Renewal Fee is the greater of 10% of our then-current Initial Franchise Fee, **OR Five Thousand (\$5,000) Dollars.**

"Renewal Franchise Agreement" shall have the meaning defined and set forth in Article 15.B. of this Agreement.

"Renewal Notice" shall have the meaning defined and set forth in Article 15.B. of this Agreement.

"Renewal Term" shall have the meaning defined and set forth in Article 15 of this Agreement.

"Reporting Non-Compliance Fee" shall have the meaning defined and set forth in Article 12.C. of this Agreement.

"Reserved Rights" shall have the meaning defined and set forth in Article 2.D. of this Agreement.

"Restricted Territory" refers to and means the geographic area: (a) comprising Franchisee's Operating Territory; (b) comprising a 25-mile radius surrounding Franchisee's Operating Territory or, if Franchisee is not granted or designated an operating territory, then a 25-mile radius surrounding Franchisee's Administrative Office); (c) comprising each of the operating territories, respectively, of other First Day Homecare Businesses that are in operation or under development during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within Franchisee's Operating Territory plus a 25-mile radius surrounding Franchisee's Operating Territory or, if Franchisee is not granted or designated an operating territory, then a 25-mile radius surrounding Franchisee's Administrative Office.

"Royalty and Activity Report" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"Royalty Fees" shall have the meaning defined and set forth in Article 5.B. of this Agreement.

"Scheduled Business Commencement Date" refers to and means the date that occurs on the 9-month anniversary of the Effective Date of this Agreement.

"Spouse" refers to and means the legal spouse of an Owner as of the Effective Date.

"Supplemental Training" shall have the meaning defined and set forth in Article 4.A. of this Agreement.

"Supplemental Training Fee" shall have the meaning defined and set forth in Article 4.A. of First Day Homecare
2024 2025 Franchise

“**Supplier Evaluation Fee**” refers to and means the fee determined by Franchisor, in Franchisor’s Reasonable Business Judgment, and based upon the fees and/or expenses incurred by Franchisor in connection with the evaluation of a request by Franchisee for Franchisor’s consideration and/or review of a potential supplier. Under no circumstance is Franchisor required to approve of suppliers requested by Franchisee.

“**System**” shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: without limitation to the Recitals section of this Agreement and supplementing the definition and meaning of the term “System”, System shall be defined to further include and mean: (a) the Approved Services and Products, System Supplies and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a First Day Homecare Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a First Day Homecare Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

“**System Services and Products**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean refers to and means those products and services that Franchisor authorizes for sale by First Day Homecare Businesses. Franchisor shall exclusively designate and determine the System Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce, or supplement the System Services and Products that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the System Services and Products, shall designate the System Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the System Services and Products.

“**System Supplies**” refers to and means the materials branding the Licensed Marks, programs, materials, office equipment, products, software, systems, and supplies designated by Franchisor as required for use in connection with Franchisee’s First Day Homecare Business and the Approved Services and Products. Without limitation to the foregoing, the System Supplies shall include First Day Homecare branded, non- branded and third-party branded materials designated by Franchisor for use in the day-to-day operations of Franchisees First Day Homecare Business designated by Franchisor in the Operations Manual and/or otherwise in writing and, as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment. System Supplies shall further include those products that Franchisor authorizes for sale to customers of Franchisee’s First Day Homecare Business.

“**System Website**” refers to and means the web page and pages located on the world wide web at the www.FirstDayHomecare.com domain, at a landing page [pages](#) on the www.FirstDayHomecare.com domain and/or on an independent domain featuring www.FirstDayHomecare.com and/or www.FirstDayABA.com, and the city or other territory of the Franchised Business and shall further include all webpages and subdomains including, those that are franchisee and/or geography specific, that are a part of www.FirstDayHomecare.com, or as designated by Franchisor being associated with the URL of www.FirstDayHomecare.com and/or First Day Homecare Businesses.

“**First Day Homecare Business(es)**” shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section definition of “First Day Homecare Businesses”, shall further include, refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor’s affiliates and/or authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised First Day Homecare

“**Technology Fee**” shall have the meaning defined and set forth in Article 5.C. of this Agreement.

“**Term**” refers to and means the period of time set forth and defined in Article 2.B. of this Agreement and, the Renewal Term if Franchisee invokes Franchisee’s renewal rights in accordance with the terms of this Agreement.

“**Trade Dress**” refers to and means the First Day Homecare Business designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

“**Training Program**” shall have the meaning defined and set forth in Article “4.A” of this Agreement.

“**Transfer**” refers to and means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee; and/or (e) the legal and/or equitable transfer and/or sale of an Owners interests and/or voting rights in Franchisee.

“**Transfer Fee**” shall have the meaning defined in Article 14.C. (11) of this Agreement. The Transfer Fee is a fixed sum of **Five Ten** Thousand **(\$5,000)** Dollars **(\$10,000.00)**.

“**Visit**” refers to each visit to a clients’ home by an employee or agent of the Franchised Business for purposes of providing the Approved Services and Products.

“Zone” refers to and means a geographic area of a 1-to-3-mile radius around your Franchise Business, unless your Franchise Business is located in a major metropolitan downtown area or similarly situated/populated central business district (“Central Business District”). If your Franchise Business is located in a Central Business District, your Territory may be limited to a geographic area comprised of anywhere from a radius of approximately two blocks to 1 mile around your Franchise Business as we deem appropriate in our discretion. Franchisor, in Franchisor’s Reasonable Business Judgment, maintains the sole and exclusive discretion in designating what constitutes a Zone.

ARTICLE 2. GRANT OF FRANCHISE

2.A. GRANT OF FRANCHISE

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a First Day Homecare Business within a specified territory. In reliance on the representations made by Franchisee and/or Franchisee’s Owners in any submitted application and during the application process, including, without limitation, the Franchisee Disclosure Questionnaire attached to this Agreement as Attachment **E C** and, subject to the terms and conditions of this Agreement, Franchisee’s request has been approved by Franchisor, subject to the following terms and conditions:

(1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the **non- non-**exclusive license, right and obligation to develop and operate a First Day Homecare Business within the operating territory designated and set forth in the Attachment A of this Agreement (the “Operating First Day Homecare

(3) location of Franchisee's Administrative Office, Franchisee must locate, identify and secure an Administrative Office for the Franchised Business in accordance with the terms of this Agreement, including the requirement that Franchisee must obtain Franchisor's written approval of Franchisee's Administrative Office;

(4) (4) Franchisee must manage the Franchised Business from Franchisee's Administrative Office located within Franchisee's Operating Territory;

(5) (5) Franchisee may only operate the Franchised Business within Franchisee's Operating Territory and, without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products within Franchisee's Operating Territory and in accordance with the requirements set forth in the Operations Manual;

(6) (6) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights, provided that, at all times, Franchisee is and remains in compliance with the terms of this Agreement, during the Term of this Agreement, Franchisor will not and Franchisor's affiliates will not operate, or grant a franchisee the right to operate a First Day Homecare Business using the Licensed Marks and System within Franchisee's Operating Territory, provided that an Operating Territory has been designated and approved by Franchisor in accordance with the terms of this Agreement; and

(7) (7) The foregoing rights granted in this Article 2.A. are subject to and contingent upon each and every, term and condition of this Agreement, the rights of any prior user, and are non-exclusive and subordinate to the Reserved Rights.

2.B. TERM

Unless previously terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of 10 consecutive years, commencing from the Effective Date (the "Term").

2.C. GUARANTEES, CONFIDENTIALITY AND RESTRICTIVE COVENANTS

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Franchise Owner **and Spouse Agreement and Personal** Guaranty attached to this Agreement as Attachment B and, in doing so, among other things, will individually, jointly, and severally, guarantee Franchisee's obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

2.D. RESERVATION OF RIGHTS

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the "Reserved Rights"): (a) operate and grant to others the right to operate a Franchised Business, First Day Homecare Business and/or other businesses using the System and Licensed Marks at locations outside Franchisee's Operating Territory; (b) acquire or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, and after such acquisition, merger or affiliation to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses, including Competitive Businesses (but not using the Licensed Marks) within Franchisee's Operating Territory; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate such businesses, including Competitive Businesses (but not using the Licensed Marks) within Franchisee's Operating Territory; (d) use the Licensed Marks and System and to license others to use the Licensed Marks and System to engage in all other activities not expressly prohibited by this Agreement; and (e) permit System franchisees with Legacy Customers within your Operating Territory to service such Legacy Customers.

3.C. FRANCHISEE'S ADMINISTRATIVE OFFICE

Franchisee must operate the Franchised Business from an Administrative Office that conforms to Franchisor's standards and specifications and, such other requirements as set forth in the Operations Manual. Franchisee must obtain Franchisor's written approval of the location of Franchisee's Administrative Office. **If permitted by applicable laws, rules, and regulations, including, but not limited to, local zoning laws and regulations (to be independently verified by Franchisee) Franchisee may designate Franchisee's personal residence as Franchisee's Administrative Office. Otherwise,** Franchisee must develop Franchisee's Administrative Office from a commercial location located within the Operating Territory. If applicable, Franchisor will furnish Franchisee with Franchisor's then-current preliminary plans and specifications for an Administrative Office. Franchisee shall develop, operate and manage the Franchised Business from an Administrative Office, that: (a) was identified and evaluated by Franchisee; (b) complies with the terms and conditions of this Agreement; (c) satisfies and meets Franchisor's standards and specifications; (d) is timely presented by Franchisee to Franchisor for approval as Franchisee's proposed Administrative Office; (e) is approved by Franchisor as Franchisee's Administrative Office; (f) is timely secured by Franchisee within 60 days of the Effective Date of this Agreement and, as evidenced by a binding lease, and at least 30 days prior the Actual Business Commencement Date; and (g) otherwise meets the terms and conditions of this Agreement and Franchisor's standards and specifications.

Franchisee will not lease, purchase or otherwise acquire a proposed Administrative Office until such information as Franchisor may require as to the proposed Administrative Office has been provided to Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Administrative Office within 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Administrative Office. If Franchisor rejects or disapproves Franchisee's proposed Administrative Office, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Administrative Office within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Administrative Office shall not serve as a basis to extend any deadline or requirement set forth in this Agreement.

Franchisor's approval of Franchisee's proposed Administrative Office is not and does not constitute a representation or warranty of any kind other than that Franchisor does not object to or disapprove of Franchisee's proposed Administrative Office. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate an Administrative Office for the Franchised Business, to assist Franchisee in the selection of a suitable Administrative Office, or, to provide assistance to the Franchisee in the purchase or lease of an Administrative Office.

3.D. FURNITURE, FIXTURES, EQUIPMENT AND SIGNS

Franchisee agrees to use in the construction and operation of Franchisee's Administrative Office only those types of construction and decorating materials, fixtures, office equipment, furniture, and signs that Franchisor has approved or designated in the Operations Manual for Franchised Business as meeting Franchisor's specifications and standards for appearance, function, and performance. Franchisee shall purchase approved or designated types of construction and decorating materials, fixtures, office equipment, furniture and signs including, but not limited to, System Supplies, only from suppliers approved or designated by Franchisor from time-to-time in writing and/or in the Operations Manual.

3.E. SYSTEM SUPPLIES

Franchisee shall exclusively purchase and use the System Supplies in the operations of the Franchised Business. Franchisee shall exclusively purchase the System Supplies from the supplier and/or suppliers and vendor and/or vendors designated by Franchisor from time-to-time. Franchisee acknowledges and agrees that branding, over the nature, quality, branding and source of the System Supplies is critical to the System and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee shall only purchase and use the System Supplies as designated by Franchisor and only from those suppliers designated and approved by Franchisor. Franchisee agrees that in many

3.F. BUSINESS MANAGEMENT SYSTEM

Franchisee shall exclusively use the Business Management System or systems designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented, or replaced by Franchisor from time to time. Franchisee shall purchase, license, and maintain such Business Management System and/or systems from Franchisor and/or such third-party suppliers designated by Franchisor. Franchisor, in Franchisor's Reasonable Business Judgment, may require that Franchisee's license, and use of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor, or licensed through Franchisor. At all times, Franchisee shall provide and grant Franchisor with unlimited and uninterrupted direct internet based and/or remote access to the Business Management Systems of the Franchised Business. At all times, Franchisee shall pay and be responsible for all fees associated with the Business Management Systems including, but not limited to, initial and on-going license fees. Franchisee acknowledges and agrees that the current Business Management System Fee will vary based on the number of customer Visits in a month. Franchisee acknowledges that the fees set forth below are subject to change in the vendor's sole discretion and that Franchisor may appoint another supplier which may result in a change in the Business Management System Fees. Franchisee acknowledges and agrees that Franchisor may in the future be a supplier of the Business Management System and/or other technological services.

Supplementing and, without limitation to the foregoing, Franchisee agrees that:

- (1) The Business Management System will contain proprietary and confidential information owned by Franchisor and related to the System;
- (2) The Business Management System shall be exclusively used by Franchisee in connection with the operations of the Franchised Business, in accordance with the terms of this Agreement, and the standards and specifications set forth by Franchisor in the Operations Manual;
- (3) As between Franchisee and Franchisor, Franchisor is and shall be the exclusive owner of the Business Management System Data, expect that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;
- (4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Business Management System and the Business Management System Data and to duplicate and evaluate the data;
- (5) Franchisee shall upgrade, replace and modify the Business Management System at the request of Franchisor and in accordance with Franchisor's written instructions;
- (6) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit or allow any third party to access, use or duplicate the Business Management System or, the Business Management System Data;
- (7) (8) Franchisee shall keep and maintain the Business Management System and the Business Management System Data as secret and confidential and, Franchisee shall maintain security precautions to maintain the confidentiality of the Business Management System and the Business Management System Data; and
- (8) (9) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use or, Franchisee's inability to use, the Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement

3.I. OUT OF TERRITORY SERVICE

The license and rights granted to Franchisee in this Agreement are limited to, among other things, the Operating Territory, the grant of franchise rights set forth in Article 2.A. of this Agreement, and the reservation of rights set forth in Article 2.D. of this Agreement. Subject to the existence of an Open Area and Franchisee's compliance with following rules and requirements ("Territory Rules"), Franchisee may provide the Approved Services and Products on behalf of customers located within an Open Area:

Territory Rules

(1) Franchisee must conduct the operations of the Franchised Business from within Franchisee's Operating Territory and Franchisee must provide the Approved Services and Products on behalf of customers located within Franchisee's Operating Territory. The marketing of the Franchised Business must be targeted to Franchisee's Operating Territory and, at all times, must conform and comply with, among other things, the restrictions set forth in Article 9.F of this Agreement;

(2) Provided **that** : (i) Franchisee: **(i) does not engage in any engages in** Direct Solicitation of customers or potential customers **inside and** outside of Franchisee's Operating Territory **or, but not** within the Operating Territory of another First Day Homecare Business, (ii) Franchisee does not otherwise violate the restrictions set forth in Article 9.F of this Agreement, and (iii) **Unless unless** other arrangements have been made in writing, each instance Franchisee provides Franchisor with an Out of Territory Service Request that, in writing, is approved by Franchisor, Franchisee's First Day Homecare Business may, on a non-exclusive basis, provide Approved Services and Products to a customer within an Open Area. Franchisee must obtain Franchisor's approval in each and every instance and Franchisor may, in Franchisor's Reasonable Business Judgment, reject or disapprove of Franchisee's Out of Territory Service Request; and

(3) Franchisee acknowledges it may only provide Approved Services and Products to a maximum of five customers in an Open Area, which must be contiguous and within the same state to the Operating Territory.

(4) (3)Once an Open Area becomes an Assigned Area, Franchisee shall cease soliciting customers within the Open Area, provided that Franchisee may continue to service its Legacy Customers, subject to the Encroachment Fee. A customer shall not be a Legacy Customer if they are under a different episode of care than prior to the Open Area becoming another franchisee's Assigned Area; and

(5) (4)If you perform services Franchisee performs service in the Territory of another franchisee, and they gave you with the express approval of the encroached party, you Franchisee must pay them encroached party an Encroachment Fee of 5% of the Gross Revenue generated from the Services rendered in their Territory Franchise Territory. Franchisee also acknowledges that customers being serviced by Franchisee in an encroaching territory, may not be transferred through a sale or transfer of rights under Article 14 herein.

Nothing contained in this Article 3.J. shall expand either the non-exclusive franchise rights granted to franchisee in Article 2 of this Agreement or, Franchisee's Operating Territory and, in the event of any inconsistency or conflict between the terms of this Article 3.J. and Article 2, Article 2 shall take precedence and govern.

ARTICLE 4. TRAINING AND OPERATING ASSISTANCE

4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING

(1) Within 4 to 6 weeks of the earlier of the Scheduled Business Commencement Date or the Actual Business Commencement Date, Franchisee's Managing Owner and one manager must complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, one designated manager, and one First Day Homecare

registered nurse (which can be Franchisee's Managing Owner or designated manager) with Franchisor's

~~registered nurse (which can be Franchisee's Managing Owner or designated manager) with Franchisor's~~ Training Program. If Franchisee's Managing Owner or designated manager are not registered nurses, Franchisee shall be required to send a registered nurse to an additional one-day training program before they can open. If Franchisee would like more than three individuals to attend the initial Training Program, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee **of at the then current rate, currently** \$300 per additional person attending Initial Training (the "Additional Initial Training Fee"). Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

Prior to opening and commencing the operations of the Franchised Business, the Managing Owner and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor. Following completion of the initial Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff, and all other employees of the Franchised Business. Said on-going training must conform to Franchisor's standards and specifications. The Training Program shall be structured, configured, and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.

(2) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Manager, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee and, those attending training on behalf of franchisee, in connection with Franchisee's participation in all Training Programs and, satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training to Franchisee at Franchisee's Administrative Office, within Franchisee's Operating Territory (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training, Franchisee shall pay to Franchisor a supplemental training fee at the **then current rate of , currently** \$300 per trainer per day plus, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, then, Franchisor may require that Franchisee, and/or, as applicable, Franchisee's Operating Manager participate in and, successfully complete, Supplemental Training pay the Supplemental Training Fees designated by Franchisor. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

(5) Franchisor, in Franchisor's Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Franchise Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

4.B. OPERATING ASSISTANCE

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concerning the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor's sole discretion, consist of:

(1) Assisting you in applying for enrollment in Medicaid and other programs. If Franchisee's state requires state licensure to operate the private duty nursing line of business, Franchisor will assist Franchisee in preparing and submitting the license application.

(2) (1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;

(3) (2) Establishing and communicating Approved Services and Products and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Services and Products including, but not limited to, additions, deletions, and/or changes to the Approved Services and Products;

(4) (3) Designating and communicating System Supplies and, as applicable and as determined by Franchisor, modifications, if any, to the System Supplies including, but not limited to, additions, deletions, and/or changes to the System Supplies;

(5) (4) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;

(6) (5) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;

(7) (6) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and

(8) (7) Establishing and communicating System standards and requirements in the form of the Operations Manual and, as Franchisor, in Franchisor's sole discretion.

4.C. OPERATIONS MANUAL

Franchisor shall loan to Franchisee with access to the Operations Manual. The Operations Manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for First Day Homecare Businesses. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as, such standards, specifications, and requirements including, but not limited to, the Approved Services and Products, System Supplies, and, authorized and designated suppliers, as of the Effective Date of this Agreement, and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the Operations Manual and, shall keep and maintain all files, data and information contained in the Operations Manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the Operations Manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the Operations Manual and, such notice may take form of electronic communications including emails and, if the Operations Manual is maintained on an online web-based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in the Operations Manual. Without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products and utilize the System Supplies as designated by Franchisor, in Franchisor's Reasonable Business Judgment, in the Operations Manual and, in

accordance with the terms,

[First Day Homecare](#)

specifications and requirements set forth in the Operations Manual and as Franchisor may supplement and modify the Operations Manual from time to time or, as Franchisor may otherwise designate in writing.

ARTICLE 5. FEES

5.A. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring non-refundable initial franchisee fee (the “Initial Franchise Fee”) equal to the amount listed in Attachment A.

Maryland Franchisees. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement." **If the franchise offering includes an area development agreement, add: "**In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Minnesota Franchisees. The Minnesota Department of Commerce has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Securities Regulation Division has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Minnesota franchisees until we have completed all of our pre-pre-opening obligations , and you are open for business.

Based upon the franchisor's financial condition, the Washington Department of Financial Institutions has required a financial assurance. Therefore, all initial fees and payments owed by franchisees as described in Item 5 of the Franchise Disclosure Document shall be deferred until the franchisor completes its pre-opening obligations to the franchisee and the franchisee is open for business.

Additional Franchise Agreements: This Agreement does not grant to Franchisee the right to enter into additional First Day Homecare Business Franchise Agreements, additional franchise rights or, right of first refusal. All subsequent franchise agreements between Franchisor and Franchisee shall be subject to the terms and conditions of Franchisor’s then current franchise agreement and shall be subject to Franchisor’s acceptance and approval of Franchisee’s request to enter into any subsequent franchise agreements which Franchisor may approve or disapprove in Franchisor’s Reasonable Business Judgment.

5.B. ROYALTY FEES

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable royalty fee (the “Royalty Fee”). The continuing monthly Royalty Fee shall be equal to the greater of (i) 5% of **Franchisee’s** monthly Gross Revenue, or (ii) the “Minimum Monthly Royalty ” set forth in the schedule below **(the “Royalty Rate”)**.

Months After Signing The Franchise Agreement <u>Actual Business Commencement Date</u>	Minimum Monthly Royalty
0 to 6 months	\$0
7 to 12 months	\$500 per month
13 months through the end of the Term	\$1,000 per month

We will collect the Royalty Fee on a 90-day delay. For example, if you commence operation on January 1, the Gross Revenue generated from January 1 to January 31 will be collected on **May** April 1.

The Royalty Fee is on-going and is payable in cash and calculation of the on-going Royalty Fee to be paid

for preauthorized payment of Royalty Fee payments, and other amounts due from Franchisee under this Agreement, by electronic transfer of funds from Franchisee's bank account to the bank account that Franchisor designates. **As of the Effective Date, Franchisor's current ACH Authorization that must be executed and complied with by Franchisee is attached hereto as Attachment C.** Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

On the Due Date each month, Franchisee shall report by telephone, electronic means, or in written form, as Franchisor directs, a performance and royalty report itemizing actual sales achieved by the Franchised Business and any deductions therefrom to arrive at the Gross Revenue for the preceding month Accounting Period and other business and financial performance data designated by Franchisor (the "Performance and Royalty Report") and any other reports required under this Agreement. Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner. If Franchisee fails to have sufficient funds in its account or otherwise fails to pay any royalties due as of the Due Date, Franchisee shall owe, in addition to such royalties, a late charge equivalent to the lesser of 5% per month of any late royalty payment or \$50; provided, however, in no event shall Franchisee be required to pay a late fee at a rate greater than the maximum commercial contract interest rate permitted by applicable law. Further, if Franchisee fails to submit an accurate Performance and Royalty Report by the Due Date of each week for the preceding month, Franchisee must pay, in addition to royalties, a late charge in the amount of \$50. Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

Payment Authorization: Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee shall execute Franchisor's designated ACH Authorization form and such other authorization agreements, in the form proscribed by Franchisor and permitting Franchisor's direct withdrawal and/or electronic transfer of sums from Franchisee's designated business bank account, for the on-going payment of Royalty Fees and, all other fees and sums due from Franchisee under this Agreement. **As of the Effective Date, Franchisor's current ACH Authorization that must be executed and complied with by Franchisee is attached to this Agreement as Attachment C.** Franchisor may require Franchisee to pay the Royalty Fees, and, other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

Royalty and Activity Reports: On the Due Date each month as designated by Franchisor, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Revenue, financial performance, and operations of the Franchised Business for the preceding monthly and/or weekly Accounting Period (the "Royalty and Activity Report"). Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner.

5.C. OTHER FEES

As designated by Franchisor in this Agreement, the Operations Manual, or otherwise, Franchisee shall pay to Franchisor and/or as otherwise directed by Franchisor, each of the following additional fees:

- (1) Technology Fee – Commencing **on the 1st day of the first calendar month following the execution of the Franchise Agreement upon the Actual Business Commencement Date**, Franchisee shall pay to Franchisor's **designated vendors** a continuing monthly **non- non-refundable** technology fee (the "Technology Fee"). **Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times throughout the Term of this Agreement, to implement.** As of the date of this Franchise Agreement, the Technology Fee is equal to \$300 per month. The Technology Fee shall be paid in the same manner as the Royalty Fees.

and charge Franchisee a monthly Technology Fee in an amount designated by Franchisor but provided that such monthly fee does not exceed \$500 per month. ~~As of the date of this Franchise Agreement, the Technology Fee is equal to \$300 per month. The Technology Fee shall be paid to Franchisor's designated vendor each and every month on the Due Date.~~

(2) (3) Brand Development Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees the Brand Development Fund Fee as set forth in Article 9.A. of this Agreement.

(3) (4) Quality Assurance Audit Fees – If Franchisee is in default of the Agreement, Franchisee may be required to pay to Franchisor, Franchisor's affiliates, or Franchisor's designees on an on-going weekly, monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to ~~frequent inspections of Franchisee's First Day Homecare Business and secret shopper evaluations. The then-current rate for such Quality Assurance inspection is \$300 per inspection and is subject to increase by up to 10% per annum.~~

(5) First-Year EMR Subscription Fee. During your first year, you will pay us for your EMR subscription. Starting in your second year, the EMR provider will bill you directly for the subscription. Currently, you will pay Us \$600 per month for this subscription.

frequent inspections of Franchisee's First Day Homecare Business and secret shopper evaluations. The current rate for such Quality Assurance inspection is \$300 per inspection and is subject to increase by up to 10% per annum.

(4) **(6) Annual Conference Fees** – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee shall be required to pay to Franchisor an Annual Conference Attendance Fee. Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and Franchisee shall pay the Annual Conference Attendance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference.

(5) **(7) Alternative Supplier** – Franchisee acknowledges and agrees that, should Franchisee elect to use a designated supplier other than the designated provider of such services set forth in the Operations Manual of services or products requiring implementation within the System (e.g., accounting or payroll services), a supplier implementation fee equal to \$100 per hour shall apply as consideration for the time and efforts Franchisor spends onboarding such supplier and ensuring that all practices are compliant with Franchisor's standards, specifications, and technical requirements. Franchisee acknowledges and agrees that such fee shall be due to Franchisor from Franchisee upon the completion of the implementation of such supplier.

(8) **Intentionally Omitted.**

(6) **(9) Noncompliance Fees** – Franchisee shall pay to Franchisor all Non-compliance Fees in accordance with the terms of this Agreement including, but not limited to, Payment **Non- Compliance Fees, Operations Non-Compliance Fees, and Reporting Non-Compliance Fees.** (currently, \$150 per occurrence), Operations Non-Compliance Fees (currently, from \$450 to \$1,000 per occurrence), and Reporting Non-Compliance Fees (currently, \$150 per occurrence).

(7) **(10) All Other Fees and Obligations Set forth in this Agreement** – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees all other fees, charges, and/or expenses set forth in this Agreement and in accordance with the terms of this Agreement. If no particular due date is stated in this **agreement Agreement,** then such date or dates shall be determined by Franchisor in Franchisor's Reasonable Business Judgment.

5.D. PAYMENT NON-COMPLIANCE FEES AND CHARGES

In addition to all other rights afforded to Franchisor under this Agreement, in connection with each and every fee, charge, and/or obligation payable and due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to, this Article 5, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor: (a) a payment non-compliance fee in the amount of \$150 (the "Payment Non-Compliance Fee") for each and every instance where a fee, charge, and/or obligation payable to Franchisor under this Agreement is not paid in full when due; plus (b) Interest on all unpaid fees, sums, and/or obligations payable and due from Franchisee to Franchisor at an interest rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law and with interest accruing on the date when such fee, sum, or obligation was due; plus (c) all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney's fees, costs, and expenses. The foregoing does not constitute Franchisor's agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of the Franchised Business. Nothing contained in this Article 5.D. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

5.E. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other First Day Homecare

6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the “Prohibited Activities”): (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business; (b) operating, managing, funding and/or performing services whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor’s affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor’s affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a First Day Homecare Business; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and, collectively, referred to as the “Prohibited Activities”). Franchisee agrees that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and, would cause harm to Franchisor, the System and other First Day Homecare Business franchisees. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee’s Owners and Spouses and that Franchisee’s Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner **and Spouse Agreement and Personal** Guaranty in the form attached to this Agreement as Attachment B.

6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS

Franchisee agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee’s having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee’s Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, any such extension of time will not be construed as a waiver of Franchisee’s breach or otherwise impair any of Franchisor’s rights or remedies relating to Franchisee’s breach. Franchisee agrees that the foregoing covenants and restrictions shall also apply to Franchisee’s Owners and Spouses and that Franchisee’s Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner **and Spouse Agreement and Personal** Guaranty in the form attached to this Agreement as Attachment B. Franchisee agrees that the covenants and restrictions set forth in this Article **6.E.**

6.E. and, otherwise in this Article 6, are fair and reasonable and, that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparably harm to Franchisor and the System.

6.F. IMMEDIATE FAMILY MEMBERS

Franchisee agrees that should Franchisee circumvent the restrictive covenants and obligations of this Article 6 by disclosing Confidential Information to an Immediate Family Member that Franchisor and, the System, will be irreparably harmed. Franchisee agrees that if Franchisee or, one of Franchisee’s Owners, discloses Confidential Information to an immediate family member and, the immediate family member of Franchisee or an Owner, uses the Confidential Information to engage in activities that, for Franchisee, qualify as Prohibited Activities, that Franchisor and the System will be irreparably harmed. Franchisee agrees that as between Franchisee and Franchisor, that Franchisee and Franchisee’s Owners are in a better position to know if Franchisee permitted and/or provided an immediate family member with access to the Confidential Information and that, therefore, Franchisee agrees that Franchisee will be presumed to have violated the terms of this Agreement and, in particular, the restrictive covenants and obligations set forth in this Article 6 if any member of Franchisee’s immediate family or the immediate family of an Owner: (a) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities; and/or (b) uses or discloses the Confidential Information and/or Know-how. Franchisee may rebut the foregoing presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee’s Owners disclosed First Day Homecare

Franchisee agrees that the foregoing covenants, obligations, representations and burden of proof shall also apply to Franchisee's Owners and Spouses and, that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner **and Spouse Agreement and [Personal](#)** Guaranty in the form attached to this Agreement as Attachment B.

6.G. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

6.H. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other First Day Homecare Business franchisees for which there is no adequate remedy at law. Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed \$1,000. Franchisor's remedies under this Article 6.H. are not exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

6.I. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS, AND INFORMATION

Franchisee agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of First Day Homecare Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates and employees assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this [Article 6.I](#). Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

ARTICLE 7. OPERATING STANDARDS

7.A. OPERATING REQUIREMENTS

At all times, Franchisee and the Franchised Business shall, as designated by Franchisor in the Operations Manual and/or as otherwise designated by Franchisor in writing and, as may be modified by Franchisor from time-to-time: (a) exclusively offer and sell the Approved Services and Products which Franchisor has approved (unless Franchisee is unable to obtain required licensing to offer certain Approved Service due to a state moratorium or other restriction that has been implemented in the Territory or Franchisor has not approved); (b) exclusively purchase and use the System Supplies; (c) maintain a complete and updated inventory and supply of System Supplies; (d) maintain, update, replenish and replace Franchisee's System Supplies; (e) maintain, update, replenish and recondition Franchisee's Administrative Office; (f) obtain and maintain, as required by federal, state and/or local laws, rules and regulations, the required licenses, permits and authorizations to own and operate the Franchised Business.

7.B. MAINTENANCE, UPDATES AND UPGRADES

At all times, Franchisee shall update, upgrade, maintain, replenish, replace and recondition Franchisee's System Supplies, Service Vehicle(s) (if applicable), and, if applicable, Franchisee's Administrative Office as specified by Franchisor in the Operations Manual and/or otherwise in writing, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time. Notwithstanding the foregoing, Franchisee expressly agrees that the foregoing obligations relate to brand standards and specifications associated with the Licensed Marks and the Approved Services and Products and that, at all times, Franchisee is and shall exclusively remain responsible for conditions involving the safety of customers and employees in connection with the operations of the Franchised Business.

7.C. DAMAGE CAUSED BY CASUALTY

If Franchisee's Administrative Office and/or System Supplies is and/or are damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than 1 one month after such casualty, initiate repairs or reconstruction, and thereafter, in good faith and with due diligence, continue until completion of the repairs or reconstruction, to their/its original condition before casualty and otherwise in accordance with Franchisor's standards and specifications.

7.D. ALTERATIONS

At all times, Franchisee shall maintain Franchisee's System Supplies, and Administrative Office in accordance with Franchisor's current brand standards and specifications and, Franchisee shall not materially alter or modify same.

7.E. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the Operations Manual, as prescribed Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time-to-time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational requirements shall relate and include, among other things, the Approved Services and Products, the System Supplies, System standards as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and satisfaction standards including, customer rewards programs, refund policies, gift card policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, Franchisor access to Business Management Systems, and, the First Day Homecare

overall operations of the Franchised Business.

7.F. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the supplies, suppliers and equipment utilized by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, as designated by Franchisor in the Operations Manual, and/or as otherwise designated by Franchisor in writing and, as may be supplemented, modified, and/or amended by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

(1) The Franchised Business shall exclusively offer and sell the Approved Services and Products that Franchisor has approved you to sell to the customers located within Franchisee's Operating Territory (unless Franchisee is unable to obtain required licensing to offer certain Approved Service due to a state moratorium or other restriction that has been implemented in the Territory);

(2) The Franchised Business shall, in accordance with Franchisor's standards and specifications as, designated and determined by Franchisor from time to time, exclusively: (a) offer and serve the Approved Services and Products which Franchisor has approved; (b) provide the Approved Services and Products in accordance with the System's standards and specifications; (c) exclusively purchase and use System Supplies from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and use equipment, supplies, promotional materials, and Business Management Systems designated by Franchisor and, subject to Franchisor's specifications; (e) Purchase displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials including, but not limited to, System Supplies as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) Purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies including, but not limited to, System Supplies used in preparing, offering, selling, promoting, and serving the Approved Services and Products;

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Supplies, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used by the Franchised Business and, that Franchisee shall abide by same;

(4) Franchisor, in Franchisor's Reasonable Business Judgment, may, from time to time, modify the list of approved brands, suppliers and distributors of System Supplies, and approved equipment, supplies and services to be used by the Franchised Business and that Franchisee shall, after receipt in writing of such modification, abide by same and, among other things, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor;

(5) Franchisor reserves the right to designate, from time to time, a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Supplies and technology services and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other franchisees of the System and that Franchisor may use all amounts so received without restriction and for any purpose, including Franchisor's profit; and

(6)

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not, presently, at the time of Franchisee's request, approved for use in the System, Franchisee: (a) must provide Franchisor with a First Day Homecare

(7) for Franchisee's request; (b) shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; (c) shall pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the Supplier Evaluation Fees that Franchisor, in Franchisor's Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third-parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval, which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers and Franchisor shall exclusively determine, in Franchisor's Reasonable Business Judgment, the level of evaluation to be conducted by Franchisor.

7.G. MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

7.H. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee shall, at all times, secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes, and regulations.

(2) Franchisee shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must, at all times, immediately notify Franchisor in writing of any of the following concerning Franchisee, and/or the Franchised Business: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5)

(6) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and, conforms to the highest standards of ethical advertising, and is in conformity with Franchisor's standards and specifications. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, First Day Homecare Businesses, and/or the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to First Day Homecare

discontinuation thereof, shall be exclusively determined by Franchisor in Franchisor's Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by Franchisor to Franchisee.

(4) Franchisee shall, at all times, maintain sufficient working capital to fulfill its obligations under this Agreement.

7.J. REMEDIES FOR NONCOMPLIANCE WITH OPERATIONAL STANDARDS

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 7 (an "Operations Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the "Operations Non-Compliance Fee") in the amount of: (a) \$1,000 for each and every instance / event related to an Operations Violation involving the sale of services and/or products that are not Approved Services and Products; (b) \$1,000 for each and every instance / event related to an Operations Violation involving the failure to exclusively use System Supplies, and/or Franchisor designated suppliers; and (c) \$450 for all other Operations **Violation**Violations. Additionally, in each of the foregoing instances, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor's Reasonable Business Judgment, of determining whether or not Franchisee's Operations Violation has been cured in accordance with Franchisor's standards and specifications. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Operations Violations. Nothing contained in this Article 7.J. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 8 INSURANCE

Franchisee, at Franchisee's sole expense, must purchase and maintain in full force at all times during the Term of this Agreement an insurance policy or policies protecting Franchisee as named insured and naming, as additional insureds, Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor. The policy or policies must be written by a carrier or carriers with an A.M. Best Rating of at least A-, VII and reasonably acceptable to Franchisor. The insurance must at all times be compliant with the standards and specifications set forth in the Operations Manual. From time-to-time Franchisor may designate preferred insurance brokers and insurance carriers.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the Operations Manual. Franchisor may, in Franchisor's Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every two (2) years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees. By the earlier of ninety (90) days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article

notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

Franchisee shall provide Franchisor with a copy of its certificates of insurance annually. In the event Franchisee fails, for any reason, to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority (but not the obligation) to immediately to procure insurance and charge all costs, fees, and expenses associated with same to Franchisee, which such charges, together with a reasonable administrative fee for Franchisor’s expenses in so acting, shall be immediately payable by Franchisee to Franchisor upon demand. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity.

Coverage Type	Amount	Coverage Level
General and Professional Liability	\$5,000 - \$15,000	1M occurrence, \$2M aggregate (CA \$3M Agg). Must include sexual abuse \$250k/\$500k. <u>\$250,000 per occurrence</u>
Business Property Insurance	\$75,000	Per Month
Business Income/Extra Expense	\$12,500	Per Month
Electronic Media and Records	\$10,000	Per Occurrence
Money and Securities	\$10,000/Inside \$2,500/Outside	Per Occurrence
Valuable Papers and Records	\$25,000	Per Occurrence
Accounts Receivable	\$25,000	Per Occurrence
Workmen’s <u>Worker’s</u> Compensation	\$750 - \$10,000	Charged per payroll amount. Get this coverage from your payroll vendor (Viventium) or through another carrier.
Business Interruption Insurance (unless you can demonstrate that such coverage is not able to be acquired by providers in your state or region)	\$50,000	Not less than Per Month
Hired & Non-Owned Auto	\$0 - \$10,000	\$1M Combined Single Limit (CSL) (if not included in GL)
Employee Dishonesty / Theft	\$250 - \$500	\$25,000 (must include theft of third parties)
Personal Property	\$250 - \$1,000	\$10,000 minimum
Any other coverage that (a) Franchisor periodically requires to satisfy insurance-related obligations via the Manuals, System Site or otherwise in writing, or (b) your independent legal counsel identifies as required or recommended coverage.		

**ARTICLE 9.
BRAND DEVELOPMENT AND MARKETING**

9.9.A. BRAND DEVELOPMENT FUND

At all times and from time to time, as determined by Franchisor, in Franchisor’s Reasonable Business

(1) If Franchisor institutes the Brand Development Fund, Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Brand Development Fund in an amount equal to 1% of Gross Revenue for each monthly Accounting Period (the “Brand Development Fund Fee”), provided, however, Franchisee will not be required to contribute more than 2% of the Gross Revenue of the Franchised Business for each monthly Accounting Period;

(2) The Brand Development Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and method set forth in Article 5.B for the payment of Royalty Fees;

(3) Franchisor, in Franchisor’s Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) Franchisee agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is and shall be for the general enhancement of the System brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The Brand Development Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor’s Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes Franchisee’s Administrative Office or Operating Territory;

(5) Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor’s personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters. Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all First Day Homecare Businesses to the Brand Development Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund;

(7)

(7) (8) First Day Homecare Businesses owned by Franchisor or Franchisor’s affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any and all funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund, and Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Article 9.A(8);

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by First Day Homecare Businesses operating in that geographic area or that any First Day Homecare Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of First Day Homecare Businesses in the System. Franchisor may use the Brand Development Fund to promote or benefit First Day Homecare Businesses located within a particular region of the United States. Franchisee agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third parties.

9.B. LOCAL MARKETING

On a monthly and on-going basis, Franchisee is required to spend a minimum of \$1,200 on local marketing of the Franchised Business targeted to Franchisee's Operating Territory, with such local marketing expenditure expended on digital lead generation in accordance with Franchisor's standards and specifications where such leads are located within Franchisee's [Operating Territory](#). [Franchisee must pay to Franchisor an amount equal to \\$275 each month that shall be credited towards the required monthly amount. The amount owed to Franchisor shall provide Franchisee a dynamic landing page on the website and management of SEO in the](#) Operating Territory. On or before the 5th of each month, or, such other dates as specified by Franchisor, Franchisee shall provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the immediately preceding calendar year quarter. At the request of Franchisor, Franchisee shall provide Franchisor with on-going access to any and all data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and to provide First Day Homecare

Franchisees request for a waiver or deferral based on any reason or no reason at all and, nevertheless grant the request of another system franchisee.

9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS

Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possess no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Services and Products through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Franchisee agree that the foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

9.F. 9.F NO MARKETING OUTSIDE FRANCHISEE'S OPERATING TERRITORY

Franchisee agrees that Franchisee's marketing and Marketing Media must be directed toward Franchisee's Operating Territory and that under no circumstance shall Franchisee cause, authorize or engage in any Media Distribution to customers, potential customers and/or customer referral sources outside of Franchisee's Operating Territory, unless: (a) such Media Distribution is a joint distribution with other First Day Homecare Businesses pursuant to an Advertising Cooperative authorized by Franchisor in writing; and

(b) Franchisor, in Franchisor's Reasonable Business Judgment, otherwise agrees to same in writing.

9.G. 9.F.ADVERTISING COOPERATIVE

At all times Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "Advertising Cooperative"). Franchisee agrees that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more First Day Homecare Business franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee's First Day Homecare Business or Operating Territory is located within the geographic area of an Advertising Cooperative, franchisee must participate in and contribute to the Advertising Cooperative. Franchisee agrees to the following:

(1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee's Operating Territory or Franchisee's First Day Homecare Business Location, Franchisee shall participate in and make such on-going financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee First Day Homecare Business located within the designated area of the Advertising Cooperative) with a quorum constituting twenty-five percent of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative shall be organized for the exclusive purpose of administering marketing programs and the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee's First Day Homecare Business location or Operating Territory, or if such Advertising Cooperative is established during the Term of this Agreement, Franchisee shall fully participate in the Advertising Cooperative and Franchisee shall execute, at the request of Franchisor, all documents required by Franchisor and Franchisee shall become a First Day Homecare

Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee must not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent, willful act or failure to act.

Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed, or business conducted by Franchisee.

10.B. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages arising out of, or relating to, Franchisee's Administrative Office, and/or the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B shall survive the termination, expiration or Transfer of this Agreement.

Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

10.C. INDEMNIFICATION BY FRANCHISOR

Franchisor shall indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's First Day Homecare Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such First Day Homecare

claim, cause of action, lawsuit, demand, proceeding.

~~costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding,~~ investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor agrees that the terms of this Article 10.C shall survive the termination, expiration or Transfer of this Agreement.

ARTICLE 11. LICENSED MARKS, SYSTEM, AND INNOVATIONS

11.A. OWNERSHIP AND GOODWILL

Franchisee agrees that Franchisor is the owner of all right, title, and interest in and to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee further agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

11.B. USE OF THE LICENSED MARKS

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall not use the Licensed Marks as part of its corporate or other legal name, and Franchisee shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of, or challenge to, Franchisee's use of any Licensed Mark and/or the System or of any claim by any person claiming any rights in any manner with respect to the Licensed Mark, the System, or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge, or claim by any third party to the Licensed Marks and/or the System. Franchisor and/or Franchisor's licensor shall possess sole and complete discretion, in Franchisor's Reasonable Business Judgment, to take any action and/or to refrain from taking action, Franchisor and/or Franchisor's licensor deems appropriate, including, without limitation, the right to exclusively control any litigation or administrative proceeding arising out of, or relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the

~~relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the System.~~ Franchisee agrees to execute all documents, render assistance, and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or Franchisor's licensor in any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor and/or Franchisor's licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such litigation or administrative proceeding provided Franchisee timely notifies Franchisor of such litigation or administrative proceeding, and Franchisee complies with the written instructions of Franchisor respecting any such litigation or administrative proceeding.

11.D. DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisee agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any of Licensed Marks, then Franchisee shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Marks. Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this Article 11.D or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any of Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

11.E. INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third-party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (i) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (ii) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (iii) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee agrees that time is of the essence with respect to notifying Franchisor of the IP Claim in accordance with this Agreement, including this Article 11.E.

11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION

Franchisee agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of First Day Homecare Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, First Day Homecare

partners, agents, members, representatives, independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any

~~or product. Franchisee agrees that Franchisee shall not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.~~

ARTICLE 12. RECORDS AND REPORTS

12.A. MAINTENANCE AND PRESERVATION OF RECORDS

Franchisee shall maintain during the Term, and preserve for at least 3 years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Such records shall be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

12.B 12.B REPORTING OBLIGATIONS

In addition to the reporting obligations otherwise set forth in this Agreement, Franchisee agrees to the following additional reporting obligations that shall include all of the data and information requested by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified by Franchisor from time to time:

- (1) Royalty and Activity Reports – on the Due Date each week and/or month as designated by Franchisor, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.
- (2) Monthly Financial Statements and Reports – within 60 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. At all times Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and, additionally, shall reconcile Gross Revenue per GAAP to Gross Revenue per this Agreement;
- (3) Annual Financial Statements and Reports – within 90 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee's annual financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and, additionally, shall reconcile Gross Revenue per GAAP to Gross Revenue per this Agreement;
- (4) Tax Returns – Franchisee shall provide to Franchisor, Franchisee's annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities; and
- (5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manuals.

12.C 12.C. REMEDIES FOR NONCOMPLIANCE WITH RECORDS AND REPORTING

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a "Reporting Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the "Reporting Non-Compliance Fee") in the amount of \$150 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Reporting Violations. Nothing contained in

14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL

Franchisee agrees, and, Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

- (1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;
- (2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the lease or ownership interests in Franchisee's Administrative Office, (c) the Franchised Business, or (d) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Business Commencement Date) of the Franchised Business;
- (3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;
- (4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B. shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and
- (5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

14.C. CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude, and financial resources to own and operate a First Day Homecare Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

- (1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least thirty (30) days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F below;
- (2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;
- (3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;

(4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Attachment B;

(5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;

(6) Franchisee, each Owner, and each Spouse must execute the General Release attached to the Franchise Disclosure Document as Exhibit G releasing Franchisor, Franchisor's Affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;

(7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then-current standard form franchise agreement offered to new franchisees of First Day Homecare Businesses and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then-current agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;

(8) The transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's Administrative Office to conform to the then-current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;

(9) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement;

(10) At the transferee's expense, the transferee, and the transferee's managing owner, managers and/or any other applicable employees of transferee's First Day Homecare Business must complete any training programs then in effect for franchisees of First Day Homecare Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee to Franchisor;

(12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;

(13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached to the Franchise Disclosure Document as Exhibit H;

(14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees, First Day Homecare

Advertising Contributions;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;

(16) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(17) The Transfer must be made in compliance with all applicable laws;

(18) The Transfer of the Franchised Business, the lease for Franchisee's Administrative Office (if applicable), and the assets of the Franchised Business shall be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and

(19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

14.D. DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator, or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's First Day Homecare Business is not being managed by a Franchisor approved Operating Manager (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's First Day Homecare Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's First Day Homecare Business. Franchisor's appointment of a manager for Franchisee's First Day Homecare Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's First Day Homecare Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's First Day Homecare Business or to any creditor of Franchisee for any products, materials, supplies, or services purchased by Franchisee's First Day Homecare Business. Franchisor has the right to charge a reasonable fee (the "Management Service Fees") for such management services and may cease to provide management services at any time.

~~Day Homecare Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's First Day Homecare Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's First Day Homecare Business or to any creditor of Franchisee for~~(3)

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed thirty (30) days from the date of death or permanent disability, must appoint a new Managing Owner that First Day Homecare

Day Homecare Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while Franchisee's First Day Homecare Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's First Day Homecare Business or to any creditor of Franchisee for any products, materials, supplies, or services purchased by Franchisee's First Day Homecare Business. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time. Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D.(1) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(4) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to document such a Transfer of this Agreement properly and legally. Furthermore, said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement, and execute the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Attachment B.

14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Attachment B; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Attachment B;

(d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchisee may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

14.F. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or an Owner desires to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, Franchisee's First Day Homecare Business, Franchisee's Administrative Office, and/or Franchisee's Administrative Office, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, Franchisee's First Day Homecare Business, Franchisee's Administrative Office, and/or Franchisee's Administrative Office for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30-day period, Franchisee or Owner (as applicable) must sell the interest to First Day Homecare

additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal in this Article 14.F. shall not apply to any Transfer pursuant to Article 14.E of this Agreement.

ARTICLE 15. RENEWAL OF FRANCHISE

15.A. FRANCHISEE'S RIGHT TO RENEW AND CONDITIONS FOR RENEWAL

Subject to Franchisee's satisfaction of the terms of this Agreement, including this Article 15, Franchisee shall possess the option to renew the franchise for Franchisee's continued license and franchised operation of the Franchised Business for one additional 5-year term (the "Renewal Term"). Franchisee's renewal rights under this Article 15 are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

- (1) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor written notice (the "Renewal Notice") of Franchisee's election to renew;
- (2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee's Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;
- (3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor's reasonable satisfaction, that: (a) Franchisee maintains the ability to continue to operate the Franchised Business within Franchisee's Operating Territory; and (b) Franchisee possesses the right to occupy and maintain Franchisee's Administrative Office in accordance with Franchisor's then current standards and specifications;
- (4) Franchisee must satisfy the maintenance, update, and upgrade obligations as set forth in Article 7.B. of this Agreement; and
- (5) Franchisee pays the Renewal Fee and Franchisee agrees to, signs.

15.B. NOTICE OF RENEWAL AND NON-RENEWAL

Franchisee must give Franchisor written notice of Franchisee's election to renew this Agreement not less than one hundred and eighty (180) days before the end of the Term.

15.C. RENEWAL FRANCHISE AGREEMENT

Subject to the satisfaction of the conditions set forth in this Article 15, to renew the franchise license and to obtain the right to continue to operate the Franchised Business (a) Franchisor and Franchisee execute and become parties to Franchisor's then current franchise agreement and Franchisor's then current ancillary agreements that Franchisor then designates and customarily uses in the grant of franchises for First Day Homecare Businesses at the time of renewal, and (b) each Owner and Spouse must execute and become parties to an individual personal guarantee similar to the Franchise Owner **and Spouse Agreement and Personal** Guaranty attached hereto as Attachment B. The terms of the renewal franchise agreement and ancillary agreements may differ from the terms of this Agreement and the Ancillary Agreements, including, without limitation, requiring higher advertising contributions and higher royalty fees. Franchisee, each Owner and each Spouse may be required to execute further documents, instruments or agreements that Franchisor customarily requires in the grant of

- (d) (d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;
- (e) (e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;
- (f) (f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;
- (g) (g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;
- (h) (h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;
- (i) (i) Franchisee is dissolved;
- (j) (j) A cause of action or lawsuit to foreclose any lien or mortgage against the assets of the Franchised Business;
- (k) (k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of the Franchised Business and not dismissed within 60 days after the summons is served on Franchisee;
- (l) (l) Real or personal property of Franchisee used in the operation of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or other law enforcement officer; and/or
- (m) (m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4) of this Agreement, and/or upon termination by Franchisor pursuant to Article 16.A.(3) of this Agreement.
- (2) Defaults and Automatic Termination upon Written Notice without Cure Period – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:
- (a) (a) Franchisee, on 3 or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) (b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;

(c) (c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third-party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.C. of this Agreement and that is cured/remedied in accordance with Article 7.C.;

(e) Franchisee, as to applicable, laws, rules and/or regulations, loses and/or fails to continuously possess, the legal right to operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the Operations Manual and/or as otherwise communicated by Franchisor from time to time;

(f) Franchisee and/or Franchisee's Owners intentionally misrepresent and/or omit material information in Franchisee's Disclosure Questionnaire attached to this Agreement as Attachment E;

(g) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(h) Franchisee attempts to Transfer or, purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(i) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer or, purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual to any third-party not otherwise authorized by Franchisor;

(k) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third-party not otherwise authorized by Franchisor;

(l) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, First Day Homecare Businesses, the Franchised Business, and/or the reputation of the First Day Homecare brand;

(m) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Franchise Owner and Spouse Agreement and

(n) (o) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;

(o) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, First Day Homecare Businesses, the Franchised Business, and/or the reputation of the First Day Homecare brand;

(p) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;

(q) Franchisee fails, upon receiving actual or constructive notice, shall: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and (3) take reasonable steps including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(r) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(s) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) Defaults and Automatic Termination after 10 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay and/or satisfy the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement;

(b) Franchisee fails to meet the Performance Target in two (2) consecutive Measurement Periods, provided that Franchisor shall provide notice of a twelve-month cure period after the first (1st) default under this subsection.

(b) (c) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay and/or satisfy any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's Affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's Affiliate, Franchisee and/or Franchisee's affiliate; and/or

(c) (d) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor's Reasonable Business Judgment, to pay any third-party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

(d) (e) Franchisee fails to obtain accreditation from the Accreditation Commission for Health Care (ACHC), within six (6) months after Franchised Business commences operation.

- (j) (i) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the Operations Manual; and/or
- (k) (k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

16.B. TERMINATION BY FRANCHISEE

If Franchisee, each Owner and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

- (1) Franchisor does not correct the material breach within 30 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor; or
- (2) In a case where Franchisor's material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor's receipt of Franchisee's written notice of Franchisor's material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 30-day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be 10 days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in this and in compliance with this Article 16.B. shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article

16.A. or, as otherwise set forth in this Agreement, Franchisee Agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and First Day Homecare

remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.

(2)

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.

(4) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, but not limited to Royalty Fees, Brand Development Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. In calculating and determining the foregoing damages Franchisee agrees **that in calculating and in determining such damages** that it is fair and reasonable to use Franchisee's most recent calendar year Gross Revenue in calculating and determining Franchisor lost revenues and fees and by assuming that such Gross Revenue would have been earned **in** each and every year **throughout the remainder for the following three years** of the Term had this Agreement not been terminated. If, however, the Franchised Business has been open and in operation for less than one calendar year, Franchisee agrees that it is fair and reasonable to **use an average of First Day Homecare Business Gross Revenue across the System during the year in which this Agreement was terminated and to use such average Gross Revenue annualize (average Gross Revenue for all months in operation applied to each remaining month to complete 12 whole months) the remaining months of the year and to use such Gross Revenue figure** for the purpose of calculating and determining Franchisor lost revenues and fees and, in doing so, by assuming that such Gross Revenue would have been earned **in** each and every year throughout the **remainder following three years** of the Term had this Agreement not been terminated. For clarity, liquidated damages shall not exceed 36 months from the date Franchisee last paid its fee obligations, or when the current term expires if less than 36 months remain. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(5) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions, and other related expenses.

(6) To enjoin, restrain, and otherwise prohibit Franchisee from operating the Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction or other means.

(7) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void.

(8) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or First Day Homecare

Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and First Day Homecare Businesses;

(4)

(4) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all digital media, intra-nets, cloud-based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) Except in the event an authorized transferee continues to operate Franchisee's former First Day Homecare Business at Franchisee's Administrative Office subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former First Day Homecare Business, Franchisee's former First Day Homecare Administrative Office, and Franchisee's Administrative Office, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Administrative Office has been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a First Day Homecare Business at your Administrative Office; (b) remove from Franchisee's Administrative Office all distinctive physical and structural features identifying a First Day Homecare Business and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; (c) make specific additional changes to Franchisee's Administrative Office as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former First Day Homecare Business. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Administrative Office at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee further agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's Administrative Office will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (i) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data and employee lists, employee information, and employee data; (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former First Day Homecare

honor, and comply with Franchisee's obligations.

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6.B through Article 6.E of this Agreement.

(11) Provide Franchisor, within thirty (30) days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

17.C. CONTINUING OBLIGATIONS

All obligations under this Agreement that expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee further agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, under no circumstance shall Franchisee be relieved of Franchisee's Obligations under this Agreement and under no circumstance shall each Owners and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Franchise Owner **and Spouse Agreement and Personal Guaranty** attached to this Agreement as Attachment B. The immediately foregoing shall not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

ARTICLE 18. ENFORCEMENT AND CONSTRUCTION

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each and every term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed, and enforced as if such term and condition was not included in this Agreement.

~~specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable.~~(3)

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure

specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with Franchisee's obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

18.C. FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God and/or labor strikes unassociated with Franchisee or Franchisor (collectively, "Force Majeure"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than six (6) months.

18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.H of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.H. are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G. of this Agreement and shall be consistent with same.

18.G. Arbitration Association location selected by the arbitrator that is located closest to Genesee County, Michigan.

18.H.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

- (a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (b) The arbitration hearing shall be conducted within one hundred and eighty (180) days of the demand for arbitration;
- (c) The arbitrator shall render written findings of fact and conclusions of law;
- (d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Articles 18.I., 18.J., 18.N, 18.O., 18.R, 18.T., and 18.X. of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;
- (e) They shall each be bound to the limitations periods set forth in Article 18.I. of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;
- (f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction;
- (g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Article 18.

(3) Consent to Jurisdiction and Venue – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G, Franchisor and Franchisee agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located Michigan and within Genesee County or the county closest to Genesee County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to the jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

18.H. VARIANCES

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING

FRANCHISEE QUESTIONNAIRE/COMPLIANCE**CERTIFICATION**

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE).

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH WASHINGTON **PROSPECTIVE** FRANCHISEES SHOULD NOT COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, First Day Franchising, LLC (“we”, “us”), and you are preparing to enter into a franchise agreement for the right to operate a First Day Homecare franchise (each, a “Business”). The purpose of this questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate franchisee fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Yes/No _____

2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes/No _____

3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes/No _____

4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes/No _____

5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Business(es) with these professional advisor(s)?

Yes/No _____

6. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

7. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the System mark or any other mark at any location outside your Territory under the Franchise Agreement, without regard to the proximity of these activities to the premises of your Business(es)?

Yes/No _____

8. **9.** Do you understand all disputes or claims you may have, arising from, or relating to the Franchise Agreement must be mediated and/or arbitrated, at our option, at our then-current headquarters?

Yes/No _____

9. **10.** Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Yes/No _____

10. **11.** Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes/No _____

11. **12.** Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Business to open or consent to a transfer of that Business?

Yes/No _____

12. **13.** Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes/No _____

13. **14.** Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Area Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes/No _____

14. **15.** Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Business or home address until you designate a different address by sending written notice to us?

Yes/No _____

15. **16.** Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti- terrorism law enacted by the United States Government?

Yes/No _____

16. **17.** Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No _____

17. **18.** Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No _____

18. **19.** Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No _____

19. **20.** Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, or services from you in connection with a Business purchase with exception of those payments or loans provided in the Disclosure Document?

Yes/No _____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES AT THE BOTTOM OF THIS PAGE (REFER TO QUESTION NUMBER).

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISEE APPLICANT(S):
(add signature lines as necessary)

By:

Name:

Date:



CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
[Sample ONLY]

This Agreement (the “Agreement”) is entered into by the undersigned (“you”) in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the First Day Homecare Franchised Business]

_____ (hereinafter referred to as “us”, “our” or “we”)

Recitals and Representations

WHEREAS, we are the owners of a licensed First Day Homecare Business (hereinafter referred to as the “First Day Homecare Business”) that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a First Day Homecare Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, First Day Franchising, LLC is not a party to this agreement and does not own or manage the First Day Homecare Business but is an intended third-party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the First Day Homecare Business.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“Business Management System” refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the First Day Homecare Business.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the First Day Homecare Business.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the First Day Homecare; (b) information

HAWAII

The following paragraphs are added in the state cover pages:

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

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

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

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for First Day Franchising, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

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 the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.

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

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

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for First Day Franchising, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

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 the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.

Section 16.C(3) of the Franchise Agreement shall reduce the measurement period to the earlier of 24 months following the date of termination or the scheduled expiration of the term.

Section 18.Q of the Franchise Agreement does not apply in Washington.

Based upon the franchisor's financial condition, the Washington Department of Financial Institutions has required a financial assurance. Therefore, all initial fees and payments owed by franchisees as described in Item 5 of the Franchise Disclosure Document shall be deferred until the franchisor completes its pre-opening obligations to the franchisee and the franchisee is open for business.

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

SIGNATURE PAGE FOR APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any Supplemental Agreements entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- California
- Hawaii
- Illinois
- Iowa
- Indiana
- Maryland

- Michigan
- Minnesota
- New York
- North Dakota
- Ohio

- Rhode Island
- South Dakota
- Virginia
- Washington
- Wisconsin

Date: _____

FRANCHISOR:

First Day Franchising, LLC

Name:

Title:

FRANCHISEE:

FRANCHISEE

Name:

Title:

EXHIBIT L

STATE EFFECTIVE DATES

The following States require that the Franchise Disclosure Document be registered or filed with the State, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed or registered as of the Effective Date stated below:

State	Effective Date
California	June 5, 2024 Application Pending
Hawaii	Not Registered
Illinois	March 27, 2024 Application Pending
Indiana	March 26, 2024 Application Pending
Maryland	November 12, 2024 Application Pending
Michigan	Not Registered
Minnesota	December 11, 2024 Application Pending
New York	Application Pending
North Dakota	October 1, 2024
Rhode Island	July 8, 2024
South Dakota	July 3, 2024
Virginia	February 13, 2024 Application Pending
Washington	Application Pending
Wisconsin	Not Registered

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.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If First Day Franchising, LLC offers you a franchise, **the FTC rule requires that** 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. Michigan requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

Any sale made must be in compliance with 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If First Day Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

First Day Franchising, LLC, - 4444 W Bristol Rd, Ste 100, Flint, MI 48507 - (810) 815-9045

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:

Address:

Phone:

Issuance Date: **March 15** April 14, 2024, as amended June 17, 2024 2025

I received a Disclosure Document that included the following Exhibits:

- A. Financial Statements
- B. List of State Administrators and Agents for Service of Process
- C. List of Current and Former Franchisees
- D. Operations Manual Table of Contents
- E. Franchise Agreement with Attachments
- F. Reserved
- G. Form of General Release
- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- J. [Electronic Funds Transfer Form](#)
- K. [Lease Rider](#)
- L. **J.** State Effective Dates Receipts

Signature:

Print Name:

Date Received:

PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If First Day Franchising, LLC offers you a franchise, **the FTC rule requires that** 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. **Michigan New York** requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

Any sale made must be in compliance with 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. 680 et seq)., which describes the time period a Franchise Disclosure Document (offering prospectus __ must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If First Day Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

First Day Franchising, LLC, -4444 W Bristol Rd, Ste 100, Flint, MI 48507 - (810) 815-9045

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:

Address:

Phone:

Issuance Date: **March 15**April 14, 2024, as amended June 17, 2024 2025

I received a Disclosure Document that included the following Exhibits:

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- G. Form of General Release
- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- J. [Electronic Funds Transfer Form](#)
- K. [Lease Rider](#)
- L. **J.** State Effective Dates Receipts

Signature:

Print Name:

Date Received:

RETURN THIS COPY TO US:

First Day Franchising, LLC c/o Emily Wiechmann
4444 W Bristol Rd, Ste 100, Flint, MI 48507
sales@firstdayfranchising.com

Summary Report	
Title	compareDocs Comparison Results
Date & Time	4/27/2025 3:55:04 PM
Comparison Time	60.96 seconds
compareDocs version	v5.1.300.3

Sources	
Original Document	2024_First Day Homecare_FDD Iss. 03.15.24 Amnd 06.17.24_FCv10 NY, MD, WA, MN.pdf
Modified Document	2025_First Day Homecare_FDD Iss. 04.14.25_FCv1.pdf

Comparison Statistics	
Insertions	726
Deletions	273
Changes	355
Moves	131
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	1485

Word Rendering Set Markup Options	
Name	Standard with color blue for redlining
<u>Insertions</u>	
Deletions	
<u>Moves</u> / Moves	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark left border.

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	Redline
Character Level	Word	False
Include Comments	Word	False
Include Field Codes	Word	True
Flatten Field Codes	Word	False
Include Footnotes / Endnotes	Word	True
Include Headers / Footers	Word	True
Image compare mode	Word	Insert/Delete
Include List Numbers	Word	True
Include Quotation Marks	Word	False
Show Moves	Word	True
Include Tables	Word	True
Include Text Boxes	Word	True
Show Reviewing Pane	Word	True
Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print