



FIRST DAY FRANCHISING, LLC

FRANCHISE DISCLOSURE

DOCUMENT

ISSUANCE DATE: MARCH 15, 2024, AS AMENDED ON JUNE 17, 2024

FRANCHISE DISCLOSURE DOCUMENT



First Day Franchising, LLC
A Michigan limited liability
company 4444 W Bristol Rd., Ste
100
Flint MI 48507
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www.firstdayfranchising.com

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 and \$200,200. This includes \$70,000 that must be paid to the franchisor or its affiliates for a standard 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.~~

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, 2024, as amended on June 17, 2024

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 ~~or advertising fund~~, 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. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.~~
5. **6.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 ~~do~~ have not previously nor 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-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 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.

laws that regulate the corporate practice of medicine, related “captain-of the-ship” regulations and the sharing of patient payments.

During the term of your Franchise Agreement, you must monitor and advise us of any changes to the applicable laws where your Franchised Business is located and any related impact or corrective action you are undertaking to address any negative impact the change might have on the operation of your Franchised Business.

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 ~~as a Quality and Education Coordinator for Home Health and Hospice at McLaren Homecare Group from May 2016 to from June 2018. 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. ~~From 2008 to 2013 Ms. Wiechmann served as Clinical Supervisor and Director of Clinical Services for Maxim Healthcare Services in Flint, MI, Detroit, MI, and Monterrey, CA. 2022.~~ Ms. Wiechmann serves in all her current capacities from our offices in Flint, MI.

Harvey Mathews- Co-Founder & COO

Mr. Mathews is a Co-Owner and has served as our COO since our inception in May-2022. Mr. Mathews worked as a Database Manager for ~~IBM from January 2017 to November 2018, and then held the same position 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.

Danielle Clemons

Danielle Clemons is an Operations Manager at First Day Homecare from November-2020 to present. Before her current role, she 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. ~~She also worked as a 5th Grade Teacher at Marlette Community Schools from August 2018 to August 2019, and at Lakeville Community Schools from August 2017 to August 2018. 2020.~~

ITEM 3 LITIGATION

**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.

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

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.

**ITEM 6
OTHER
FEES**

Type Of Fee ¹	Amount	Due Date	Remarks
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 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.

Type Of Fee ¹	Amount	Due Date	Remarks
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Local Area Marketing Requirement	Currently, a minimum of \$1,200 per month	As incurred.	You must spend at least \$1,200 per month on local area marketing. You may 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.
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<u>Type Of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			<u>marketing, promotions and lead generations must be conducted within your Franchise Territory.</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 you 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.
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.
Supplemental On- Site Training	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	On demand	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.

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 <u>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>
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Type Of Fee¹	Amount	Due Date	Remarks
<u>Type Of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	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>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	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 <u>audits, including mystery shopper programs.</u>
Type Of Fee¹	Amount	Due Date	Remarks audits, including mystery shopper programs.
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 requirements.

<u>Type Of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			<u>requirements.</u>
Renewal	\$5,000	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.
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.
Supplier Review and Implementation	\$100 per hour based on time spent reviewing, approving, and implementing an alternative supplier plus our actual costs.	Within 14 days of invoice	As determined by us, in our reasonable business judgment, we may charge an hourly fee for our time in reviewing, approving and/or implementation of an alternative supplier. We may require your submission of samples and specifications.

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 5) 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

determination of any fees and/or charges.

2. **3. 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	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. **4. 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. **5. 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.]

<u>s.</u> <u>Inspections and audits</u>	<u>13</u>	<u>6, 11</u>
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Obligation	Articles in Agreement	Disclosure Document Item
s. Inspections and audits	13	6, 11
t. Transfer	14	17
u. Renewal	15	17
v. Post-termination obligations	6, 17, 18	17
w. Non-Competition Covenants	6, 17, 18	17
x. Dispute Resolution	18.F, 18.G	17
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. 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)
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 pages and is included in Exhibit D of this Disclosure Document. (Franchise Agreement, Article 4).
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);
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);

~~6.~~

6. ~~7.~~ Website and Digital Media – We will identify and locate your First Day Homecare Franchise on our

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

~~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 fiscal year, we did not collect any Brand Fund Contributions.

5. 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 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 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. 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 phone 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

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 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

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 who has rights to that 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. During the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and

**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.

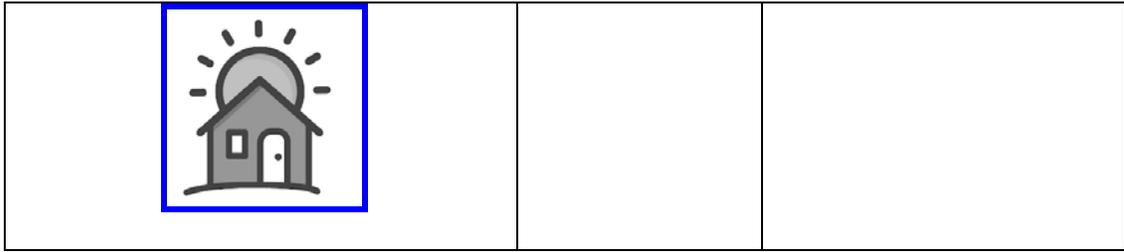
Our affiliate has filed all affidavits required for our principal trademarks.

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
TODAY IS THE FIRST DAY OF BETTER DAYS	7278173	January 16, 2024
HAND-IN-HAND TRANSITIONS	7287129	January 23, 2024

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	97735769	December 29, 2022
 	97735819	December 29, 2022
	97914843	May 1, 2023



We also license the following Mark, but have not applied for registration, however, we claim 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 whatever action we, in our sole discretion, consider necessary or appropriate. We intend to take reasonable steps to preserve and protect our ownership of the Marks and their validity. We are not obligated to protect any rights awarded to you to use the Marks or protect you against claims of infringement or unfair competition regarding the Marks. You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise, or settle any claim at our cost, using attorneys that we choose, and you must cooperate fully with us in defending the claim. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether or not to prosecute any purported infringement of the Marks and our decisions will be final.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any rights to, or licenses in any patent or copyrights material to the franchise System. We may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the United States Patent and Trademark Office for the issuance of any patents.

You must keep as confidential our Manuals and any supplements to the Manuals. Our Manuals may take the form of written materials and/or digitally distributed and stored materials and made available to you

contained in the Manuals. We will take any and all action(s) or, refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring. We need not participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third-party establishes to our satisfaction, in our discretion, that it possesses rights superior to ours, then you must modify or discontinue your use of these materials in accordance with our written instructions.

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

The Franchise Agreement requires that you or, if you are a corporate entity, your managing shareholder or partner be personally responsible for the daily management and supervision of the Franchised Business (the “Managing Owner”). We must approve your Managing Owner. (Franchise Agreement Article 7.J.). Your Managing Owner must have satisfactorily completed our initial training and must have obtained all required licenses and permits necessary to operate a First Day Homecare Franchise within your Franchise Territory.

You may hire a manager to assume responsibility for the daily management and supervision of the Franchised Business only if: (a) the manager meets all of our minimum standards and criteria for managers;

(b) ~~(b)~~ the manager completes our initial training program; (c) the manager signs a confidentiality agreement approved by us. All of your employees and other agents and representatives who may have access to our confidential information must sign a confidentiality agreement approved by us. (Franchise Agreement, Article 7.I). We do not require that the manager own any equity interest in the franchise.

You and, if you are Corporate Entity, each of your members, shareholders and/or partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and Owner’s spouse must personally guarantee your obligations to us under the Franchise 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.

<p>g. "Cause" defines- curable defaults</p>	<p>16.A(3) 16.A(4)</p>	<p>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</p>
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		<p><u>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.</u></p>
<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</p>

		<p>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</p>
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		<p><u>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</u> 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 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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<p>i. Franchisee’s obligations on termination/ non-renewal</p>	<p>6, 17</p>	<p>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 abide by the post-termination non-competition covenants and restrictions.</p>
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		<u>competition covenants and restrictions.</u>
j. Assignment of the contract by franchisor	14.A	No restriction on out 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
<u>k. "Transfer" by franchisee- definition</u>	<u>14.B</u>	<u>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</u> 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.

<p>m. Conditions for franchisor's approval of transfer</p>	<p>14.C</p>	<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 transferee in writing and subject to our discretion; you pay the Transfer Fee (Subject to applicable state laws).</p>
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		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	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
p. Death or disability of franchisee	14.D	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 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.
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 Disclosure Document, its exhibits, and amendments.
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		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
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 state law).

**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”). 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 First Day Homecare businesses operated by franchisees as of the issuance date of this disclosure document. Neither we nor a certified public accountant have independently audited or verified the information. The Affiliate- Owned Outlet operates in a substantially similar manner as First Day Homecare

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
Revenue					
Sales	\$1,487,667	\$3,728,515	+150.6%	\$7,054,838	+89.2%
COGS	\$28,348	\$453	-98.4%	\$1,500	+231.3%
Gross Profit	\$1,459,319	\$3,728,062	+155.5%	\$7,053,338	+89.2%
Expenses					
ITEM	FY 2021	FY 2022	Year-Over-Year Change	FY 2023	Year-Over-Year Change
Rent	\$15,449	\$16,970	+9.8%	\$34,662	+104.3%
Salaries and Wages	\$1,059,164	\$2,563,452	+142.0%	\$4,527,472	+76.6%
Advertising	\$23,860	\$21,224	-11.0%	\$61,401	+189.3%
Other Operating Expenses	\$262,685	\$598,803	+128.0%	\$765,726	+27.9%
Franchise Adjustments					
Royalty	\$74,383	\$186,426	-	\$352,742	-
Brand Fund	\$14,877	\$37,285	-	\$70,548	-
Technology Fee	\$3,600	\$3,600	-	\$3,600	-
Adjusted EBITDA (if franchised)	\$5,301	\$300,303	+5564.8%	\$1,237,186	+312.0%
EBITDA Margin	0.36%	8.05%	+2160.2%	17.54%	+117.7%

Notes to Table above:

- "Sales" means all revenue derived from providing services and/or products to clients. Sales 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.
- "Advertising" amounts reflect the actual amounts spent during the Measurement Period on local and digital marketing.
- 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.
- "EBITDA (if franchised)" means Sales *minus* Total Expenses. EBITDA does not include interest paid on debt, taxes, depreciation, or amortization expenses.
- "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. ~~2~~ 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**

Outlet Type	Year	Outlets at Start of the Year	Outlets at End of the Year	Net
Franchised	2021	0	0	-
	2022	0	0	-
	2023	0	0	-
Company-Owned	2021	1	1	-
	2022	1	1	-
	2023	1	1	-
Total Outlets	2021	1	1	-
	2022	1	1	-
	2023	1	1	-

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

STATE	YEAR	NUMBER OF TRANSFERS
Total Outlets	2021	0
	2022	0
	2023	0

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023**

Total	2021	0						
	2022	0						
	2023	0						

**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS FOR YEARS 2021 TO 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired by Franchisor	Outlet Closed	Outlets Sold to Franchisees	Outlets at End of Year
Michigan	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Totals	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

**TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

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
Michigan	0	3	0
Totals	0	3	0

[Our fiscal year ends on December 31 of each year.](#)

[If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.](#)

[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 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 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.](#)

ITEM 21
FINANCIAL
STATEMENTS

Attached to this disclosure document as Exhibit ~~D~~-A is our audited closing balance sheet as of December 31, 2023, our audited opening balance sheet as of May 31 and our unaudited balance sheet as of June 30, 2024. As we were formed on May 2022 and began franchising in July 2023, 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.

First Day Franchising LLC

Profit and Loss

January - June, 2024

	TOTAL
Income	
Franchise Fee	74,500.00
Services	1,301.00
Total Income	\$75,801.00
GROSS PROFIT	\$75,801.00
Expenses	
Advertising & marketing	38,565.18
Commissions & fees	50,000.00
Contract labor	15,900.00
Dues & subscriptions	9,664.20
General business expenses	
Bank fees & service charges	41.26
Total General business expenses	41.26
Insurance	343.00
Liability insurance	403.00
Total Insurance	746.00
Legal & accounting services	9,177.50
Office expenses	
Office supplies	210.42
Software & apps	492.49
Total Office expenses	702.91
Payroll expenses	
Salaries & wages	2,499.55
Total Payroll expenses	2,499.55
Taxes paid	32.85
Payroll taxes	21.90
Total Taxes paid	54.75
Travel	705.38
Utilities	652.98
Total Expenses	\$128,709.71
NET OPERATING INCOME	\$ -52,908.71
NET INCOME	\$ -52,908.71

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 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><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> Franchise Bureau 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 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><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><u>NEW YORK</u> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p><u>OREGON</u> 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</p>	<p><u>RHODE ISLAND</u> 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><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104</p>	<p><u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor</p>

Pierre, South Dakota 57501 (605) 773-3563	Richmond, Virginia 23219 (804) 371-9051
<u>WASHINGTON</u> Department of Financial Institutions Securities Division, P.O. Box 90334 1200 Olympia, Washington 98507 98504-1200 (360) 902-8760	<u>WISCONSIN</u> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

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 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> Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p><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> Illinois Attorney General 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 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><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><u>NEW YORK</u> New York Secretary of State New York Department of State 99 Washington Avenue One Commerce Plaza Albany, NY 12231 99 Washington Avenue, 6th Floor (518) 472-2492 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><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><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 (804) 371-9733</p>
<p><u>WASHINGTON</u> Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest</p>	<p><u>WISCONSIN</u> Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705</p>



FRANCHISE AGREEMENT

between

FIRST DAY FRANCHISING, LLC

and

FRANCHISEE

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ATTACHMENTS

- A. Franchise Specific Terms
- B. Personal Guaranty of Owner
- C. Franchisee Compliance Questionnaire

“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

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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 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, partnership, or other corporate legal entity that is not an individual person.

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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.

2.E. MODIFICATION OF SYSTEM

Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right, at all times, to supplement, modify, alter and/or amend the System including any and/or all components of the System. Franchisee shall promptly comply with all such modifications to the System whether such modification results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System, which shall be communicated to Franchisee by Franchisor including, but not limited to, communication through the Operations Manual. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

2.F. CORPORATE ENTITY OWNERSHIP

If Franchisee is a Corporate Entity, Franchisee represents that the information contained in Attachment A to this Agreement is and shall remain complete, true, and accurate throughout the Term of this Agreement.

ARTICLE 3. DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS

3.A. DEVELOPMENT OF THE FRANCHISED BUSINESS

Franchisee must develop and open the Franchised Business on or before the Scheduled Business Commencement Date. Notwithstanding the foregoing, prior to opening and commencing the operations of the Franchised Business, Franchisee must, as determined by Franchisor: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations designated by Franchisor in the Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; (d) have developed an Administrative Office in conformity with Franchisor's standards and specifications and as otherwise required by Franchisor in the Operations Manual; (e) have obtained the necessary licenses and permits to operate the Franchised Business; and (f) have obtained Franchisor's written consent to open.

3.B. OPERATIONS OF THE FRANCHISED BUSINESS

At all times, Franchisee's First Day Homecare Business shall: (a) be operated within Franchisee's Operating Territory; (b) be operated from an approved Administrative Office located within the Operating Territory;

~~(c)~~ ~~(e)~~ exclusively offer, sell and provide the Approved Services and Products in accordance with Franchisor's standards, specifications, and requirements; (d) ensure that the Approved Services and Products are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements and Training Programs required by Franchisor; (e) exclusively use, maintain, and, stock in inventory, the System Supplies in such quantities as designated by Franchisor; (f) exclusively purchase the System Supplies from the supplier and/or suppliers, vendor and/or vendors approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment; (g) be exclusively managed and operated by Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner; (h) maintain the necessary licenses and permits and, those licenses and permits required, and/or recommended by Franchisor, for [First Day Homecare](#)

3.H. RELOCATION

Under no circumstance shall Franchisee relocate Franchisee's Administrative Office to a facility or location located outside the Operating Territory. To the extent that Franchisee wishes to relocate Franchisee's Administrative Office to a suitable commercial facility located within the Operating Territory, Franchisee must obtain Franchisor's prior written consent which shall not be unreasonably withheld provided that Franchisee is in compliance with the terms and conditions of this Agreement and, provided that the new location and/or facility meets Franchisor's then current standards and specifications. Under no circumstance may Franchisee relocate Franchisee's Operating Territory.

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 Franchisee: (i) does not engage in any Direct Solicitation of customers or potential customers outside of Franchisee's Operating Territory ~~or~~, or, 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 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) 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; and

(4) If you perform services in the Territory of another franchisee, and they gave you express approval, you must pay them an Encroachment Fee of 5% of the Gross Revenue generated from the Services rendered in their Territory.

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

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ARTICLE 5.
FEES

5.A. INITIAL FRANCHISE FEE

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

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.

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	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 1.

The Royalty Fee is on-going and is payable in cash and calculation of the on-going Royalty Fee to be paid monthly (or based on such other Accounting Period designated by Franchisor) shall be on-going based on the Gross Revenue for the previous month's Accounting Period for each and every month throughout the Term of this Agreement. Royalty Fee payments will be paid monthly and sent by ACH and/or electronic funds transfer, due on the 5th of the month for that Accounting Period or such other specific day of the month that Franchisor designates from time to time or for such other period that Franchisor may designate (the "Due Date") (the term Due Date is further defined in Article 1 of this Agreement). 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,

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~~(2)~~ Franchisor's designees the Brand Development Fund Fee as set forth in Article 9.A. of this Agreement.

(3) 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.

(4) 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.

(5) 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.**

(6) 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) National or Regional Account Fee. 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. Currently, we charge anywhere from 1%–10% of the Gross Revenue generated from that account.~~

~~(7) Intentionally Omitted.~~

(8) 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.

(9) 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 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 First Day Homecare

to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Attachment B; and (b) Franchisee's directors, officers, employees and agents where disclosure

~~First Day Homecare~~

of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and timely delivered to Franchisor the Confidentiality Agreement in the form attached to the Franchise Disclosure Document as Exhibit H.

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 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 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. 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

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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

~~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 (7)–~~

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, [First Day Homecare](#)

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) 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 [First Day Homecare](#)

Business, Franchisor, the System, First Day Homecare Businesses and/or using the Licensed Marks.

(6)

Franchisee shall comply with, and, cause Franchisee's Owners to comply with and/or to assist Franchisor, to the fullest extent possible, in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being "blocked" under any of the Anti-Terrorism Laws, and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee further certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at <http://www.treasury.gov>) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee agrees to immediately notify Franchisor if Franchisee or any Owner becomes so listed. "Anti-Terrorism Laws" refers to and means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

In connection with Franchisee's compliance with the terms of this Article 7.H., if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7.H. with Franchisor's standards and/or specifications as contained in this Agreement, in the Operations Manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor's determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

7.I. MANAGEMENT OF THE FRANCHISED BUSINESS

(1) Franchisee agrees that, at all times, that the development and operation of the Franchised Business shall be managed, operated, and maintained under the active, continuing management, substantial personal involvement and, hands-on supervision, of Franchisee's Managing Owner. The Managing Owner must at all times be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completes Franchisor's Initial Training program and, otherwise meets the criteria and conditions for qualification as an Operating Manager as designated and determined by Franchisor from time to time. If the Operating Manager is a family member of Franchisee and/or an Owner then the Operating Manager shall also sign and agree to be bound by the terms of the Franchise Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks and the System.

~~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(4)~~

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's [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. 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
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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.

9.

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.
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 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. A. BRAND DEVELOPMENT FUND

At all times and from time to time, as determined by Franchisor, in Franchisor’s Reasonable Business Judgment, Franchisor may institute, implement, maintain, delegate and administer a brand development

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times throughout the Term:

(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) 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;

~~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~~
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~~accounts of(9)~~

(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. 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 Franchisor such other periodic reports and records as may be requested by Franchisor.

If the Franchisee's expenditures in any and all calendar monthly periods do not, in aggregate 'as to each respective calendar monthly period, equal or exceed \$1,200 on digital lead generation for the respective period then Franchisor, in Franchisor's discretion and Reasonable Business Judgment, may require that [First Day Homecare](#)

must spend within the immediately succeeding quarterly period as directed by Franchisor, or, at Franchisor's discretion, be contributed to a Brand Development Fund. All marketing of the Franchised Business by

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Franchisee must be pre-approved, in writing by Franchisor.

Franchisor reserves the right to reject any and all marketing efforts requested by Franchisee and to prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of the Franchised Business. Franchisee further agrees that:

(1) In addition to calendar year quarterly reports, Franchisee shall provide Franchisor with monthly reports documenting Franchisee's marketing initiatives, expenses incurred, placements secured, and other metrics and financial information as designated by Franchisor;

(2) At all times, Franchisee's marketing efforts and the distribution of each marketing channel and media engaged by Franchisee must be directly targeted to Franchisee's Operating Territory. Franchisee shall not direct or target Franchisee's marketing efforts with the purpose or effect of soliciting or attracting customers outside of Franchisee's Operating Territory. To the extent that Franchisee's marketing efforts involve a marketing medium or distribution channel that is targeted to Franchisee's Operating Territory but reaches outside of and beyond Franchisee's Operating Territory Franchisor, in Franchisor's Reasonable Business Judgment, shall have the right to direct and require Franchisee to discontinue such marketing; and

(3) At all times, Franchisee hereby grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of First Day Homecare Business franchises.

9.C. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of the Franchised Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or, as may be otherwise directed by Franchisor in writing from time to time. If Franchisee wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee shall submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that shall be at the sole discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the written notice requirements set forth in this Article

9.C. and provided that Franchisee otherwise timely responds in writing to any and all requests by Franchisor for additional information, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within fifteen 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

9.D. WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund and/or, if applicable, Advertising Cooperative. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for

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forth in Article 9.B. of this

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Agreement and Franchisee's contributions to the Advertising Cooperative shall count toward satisfaction of Franchisee's minimum local marketing obligations set forth in Article 9.B.;

~~(6)~~

~~(7)~~ Franchisee shall submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely for the purpose of collection and expenditure of the Advertising Cooperative's fees for the purpose set forth in this Article.

~~(7)~~ ~~(8)~~ No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;

~~(8)~~ ~~(9)~~ First Day Homecare Businesses owned by Franchisor and/or Franchisor's affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and

~~(9)~~ ~~(10)~~ The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the Operations Manual which may be modified by Franchisor from time to time.

ARTICLE 10. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A. INDEPENDENT CONTRACTORS

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. The parties' relationship is strictly a franchisor and franchisee relationship. Franchisee is the sole employer of the employees of the Franchised Business. Franchisee has the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling and paying wages to, and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees shall not be construed, considered, or represented as Franchisor's employees, representatives, or agents. There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the Operations Manual includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Services and Products, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of "joint employer" and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern.

Franchisee must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a First Day Homecare Business under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

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 [First Day Homecare](#)

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations,

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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 claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any

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INSPECTION AND AUDITS

13.A. FRANCHISOR'S RIGHT TO INSPECT

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee's Administrative Office and System Supplies. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of the Franchised Business, operations of the Franchised Business, interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

13.B. FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, cloud-storage, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee's Administrative Office. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit. For the avoidance of doubt, Franchisee acknowledges and agrees that Franchisor shall have real time access to Franchisee's cloud-based storage and other available systems as specified by Franchisor at all times.

ARTICLE 14. TRANSFER OF INTEREST

14.A. TRANSFER BY THE FRANCHISOR

At all times, Franchisor possesses and maintains the sole, absolute and unilateral right to Transfer and/or assign Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or third-party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements.

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;

~~interests in Franchisee's Administrative Office, (c) the Franchised Business, or (d) all or substantially all~~
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~~of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor.~~⁽³⁾

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

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

(12) ~~(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) ~~(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) ~~(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, Advertising Contributions;

(15) ~~(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) ~~(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 First Day Homecare

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

~~(18)~~ ~~(19)~~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)~~ ~~(20)~~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.

(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 is approved by Franchisor. The appointed Managing Owner must 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 Managing Owner (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 Managing Owner 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 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.

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(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 Franchisor. Franchisor will have at least an 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.

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Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor's Reasonable Business Judgment; and



(3) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form of general release whereby Franchisee and Franchisee's Owners shall each fully release and discharge Franchisor, Franchisor's affiliates and its officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee's issuance of a general release, Franchisor at Franchisor's election, may condition renewal on Franchisee and each Owners delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor's agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee not to renew the franchise.

Franchisee expressly acknowledges and agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor's sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

ARTICLE 16. DEFAULTS AND REMEDIES

16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(1) Defaults and Automatic Termination – Franchisee shall be in default of this Agreement, and, this Agreement shall be automatically and immediately terminated, without notice 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:

- (a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;
- (b) Franchisee admits in writing Franchisee's inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;
- (c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;
- (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) 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;

of this Agreement and that is cured/remedied in accordance with Article 7.C.;

(e)

(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 Transfers 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 Guaranty;

(n) 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;

~~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~~(s)

(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.

(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

(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.

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

The foregoing events of default set forth in this Article 16.A.(3) 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.(3) 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.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

(4) Defaults and Automatic Termination after 30 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 First Day Homecare

- (a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;
- ~~(b)~~ Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;
- ~~(c)~~ Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest in an approved location for Franchisee's Administrative Office;
- ~~(d)~~ Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Business Commencement Date, in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;
- ~~(e)~~ Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;
- ~~(f)~~ Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;
- ~~(g)~~ At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third-party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor's Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as communicated to Franchisee from time to time;
- ~~(h)~~ Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor
- ~~(i)~~ If any inspection or review of Franchisee's records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee's Gross Revenue, and/or any other metrics or data, resulting in the underpayment, by 5% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;
- ~~(j)~~ 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)~~ 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.

immediately.



(3) 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 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 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 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 of the Term had this Agreement not been terminated. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(4) 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.

(5) 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.

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

(7) 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 accommodations that may be offered or made available to other System franchisees; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchisee, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's such rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

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16.E.

16.D. GUARANTY

The payment of all payments, amounts, fees, charges and other financial obligations payable by Franchisee to Franchisor pursuant to this Agreement, and Franchisee's observance and performance of all terms and conditions of this Agreement, are guaranteed pursuant to The Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Attachment B.

~~16.E.~~ 16.F. NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR

Franchisee shall give Franchisor advance written notice of Franchisee's intent to commence or otherwise institute any legal action or proceeding against Franchisor, specifying the basis for such proposed action, and Franchisee shall grant Franchisor thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based (hereinafter, the "30 Day Cure Notice"). Franchisee agrees that the 30-Day Cure Notice is a strict condition precedent to Franchisee commencing, or otherwise instituting, legal action or proceeding against Franchisor for any reason whatsoever.

ARTICLE 17. OBLIGATIONS UPON TERMINATION, EXPIRATION AND CONTINUING OBLIGATIONS

17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Supplies.

17.B. CEASE OPERATIONS AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

- (1) Permanently cease to be a franchise owner of the First Day Homecare Business that was the subject of this Agreement and cease to operate such First Day Homecare Business under the System;
- (2) Refrain from directly or indirectly, holding oneself/itself out to any person or entity, or represent themselves/itself as a present or former First Day Homecare franchisee;
- (3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or constitute Franchisor's trade secrets; (c) System Supplies, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Supplies; (d) the Approved Services and Products; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, First Day Homecare Businesses, the Franchised Business, and Franchisee's former 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) 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, [First Day Homecare](#)

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 Business and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, 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 [First Day Homecare](#)

comply with, subsequent to the termination, expiration, or Transfer of this Agreement.
[\(12\)](#) ~~17.D.~~

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISEE:
FRANCHISEE ENTITY

~~(Individual, Partnership or Corporation Name)~~

By:

Name:

Title:

Date:

FRANCHISOR:
FIRST DAY FRANCHISING, LLC

By:

Name: Emily

Wiechmann Title: CEO

Date:

ATTACHMENT A

FRANCHISEE SPECIFIC TERMS

Effective Date:

Franchise Fee:

Franchisee Name:

Ownership of

Franchise:

Owner Name	Ownership Percentage
	%
	%
	%

Franchisee Address:

Franchisee Phone:

Franchisee Email:

Principal Executive:

Designated

Representative:

Protected Territory:

[Attach map or list of distinguishing territory features such as list of zip codes]

FRANCHISEE:

[FRANCHISEE [ENTITY](#)]

Signat

ure[By](#)

:

Name:

Title:

FRANCHISOR:

FIRST DAY FRANCHISING, LLC

By:

~~Signature:~~ Name: Emily Wiechmann

Title: CEO

ATTACHMENT C

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 ~~FRANCHISEE IS NOT REQUIRED TO~~ 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?

Yes/No _____

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written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[i. This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.](#)

[Signature Page follows]

EXHIBIT I

STATE SPECIFIC ADDENDA

The following modifications are made to this Disclosure Document given to you and may supersede, ~~to the extent then required by valid applicable state law~~, certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term “Franchisor’s Choice of Law State” is used, it means the laws of the state of Michigan, subject to any modifications as set forth in the addenda below. When the term “Supplemental Agreements” is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. These State Specific Addenda (“Addenda”) modify the agreements to comply with the state’s laws. The terms of these Addenda will only apply if you meet the requirements of the applicable state, independent of your signing the appropriate Addenda. The terms of the Addenda will override any inconsistent provision in the FDD, Franchise Agreement, or any Supplemental Documents. These Addenda are only applicable to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE
DOCUMENT AND FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Area Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

3. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

4. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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

6. ~~3.~~No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

7. ~~4.~~Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.

8. ~~5.~~Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

9. ~~6.~~

NEW YORK

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

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

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

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

2. The following is added at the end of Item 3:

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

- a. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- b. No such party has pending actions, other than routine litigation, incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- c. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust; trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or

a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" section of Item 17(c), titled "**Requirements for franchisee to renew or extend,**" and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

~~4.~~

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

~~4.~~ ~~5.~~ The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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

~~5.~~ ~~6.~~ The following is added to the end of the "Summary" section of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of Law**":

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

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE
DOCUMENT AND FRANCHISE AGREEMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

[The Franchise Agreement defines the term "Franchisor's Reasonable Business Judgment". This definition does not modify the franchisor's duty to deal with franchisees in good faith under RCW 19.100.180\(1\).](#)

[Pursuant to Section 10.B of the Franchise Agreement, franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.](#)

[Pursuant to Section 14.C\(6\) of the Franchise Agreement, any release signed by a transferring franchisee does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.](#)

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.

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	Michigan	Rhode Island
Hawaii	Minnesota	South Dakota
Illinois	New York	Virginia
Iowa	North Dakota	Washington
Indiana	Ohio	Wisconsin
Maryland		

Date: _____

FRANCHISOR:

First Day Franchising, LLC

Name:

Title:

FRANCHISEE:

FRANCHISEE

Name:

Title:

EXHIBIT J

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name:

ABA Number:

Account

Number:

Account Name:

Effective as of the date of the signature below, [FRANCHISEE NAME] (the “Franchisee”) hereby authorizes First Day Franchising, LLC (the “Franchisor”) or its designee to withdraw funds from the above- referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated [EFFECTIVE DATE OF FA] (the “Franchise Agreement”) for the business operating at the location identified on Attachment A of the Franchise Agreement (the “Franchised Business”): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its

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, 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, 2024, as amended June 17,

2024 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. State Effective Dates
Receipts

Signature:

Print Name:

Date

Received:

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, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that 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.

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- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- 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