

# FRANCHISE DISCLOSURE DOCUMENT



HTHM Franchising, LLC  
(a Delaware limited liability company) 289 Elm Street, Suite 102  
Marlborough, Massachusetts 01752  
www.hearttohomemeals.co  
(508) 658-3600

HTHM Franchising, LLC offers franchises for delivery of frozen, prepared meals for in-home consumption operating under the name Heart to Home Meals. The total investment necessary to begin operation of a Heart to Home Meals delivery service franchise (a “Program Meals Business”) ranges from \$129,100 to \$319,300. This includes \$51,000 that must be paid to us or our affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Christopher Webb at 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752, via email at [chris.webb@hearttohomemeals.com](mailto:chris.webb@hearttohomemeals.com) or by phone at 617 990-6783.

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

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

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

The Issuance Date of this Disclosure Document is February 20, 2024, ~~as amended April 4, 2024~~

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
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(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

- (H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in Subdivision (C).
- (I) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

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the Equal Employment Opportunity Commission (the “EEOC”); the Occupation Safety and Health Administration (“OSHA”); Gramm-Leach-Bliley Act; the USA PATRIOT Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general location rules and regulations; and, any advertising or content related rules and regulations.

Your Franchised Business must accept credit cards and will be obligated to comply with the Payment Card Industry Data Security Standard. The Standard includes 12 requirements for any business that stores, processes or transmits payment cardholder data. For more information see <https://www.pcicomplianceguide.org/>.

We encourage you to make additional inquiries into those laws and regulations and obtain the assistance of your own legal counsel in that regard. It is your responsibility to independently determine if there are any legal requirements with which you must comply and business issues that might impact your Franchised Business and/or your possibility of generating a profit or loss. Neither we, nor our Affiliates, will be responsible for ascertaining your initial and continuing legal responsibilities. It is your responsibility, on an on-going basis, to investigate and satisfy all local, state, and federal laws and regulations since these can vary from place to place and can change over time.

### **Prior Business Experience**

We have no prior business experience and have not operated in any other lines of business.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

Parent is our sole member. The members of Parent’s Board of Directors who are most involved in decisions affecting us are Paul Freeston, ~~Richard Ring~~ and Christopher Webb.

#### **President: Christopher Webb**

Mr. Webb has been our President since August 2021. He was Director of Business Operations for Parent from February 2019 until his election as our President. Mr. Webb joined apetito UK in September 2014 and had overseen Franchise Recruitment, Franchise Support and Operations for Wiltshire Farm Foods from that date until January 2019.

#### **Chief Executive Officer and Director: Paul Freeston**

Mr. Freeston has held these offices since August 2018. He has been the Chairman and Chief Executive Officer of apetito UK since October 2001. He has been the Chairman and Chief Executive Officer of HTHM Canada since June 2008. He has served on the Board of Directors of apetito AG since 2007.

#### **~~Secretary-Treasurer, Chief Financial Officer and Director: Richard Ring~~ Sr. Director of Franchise Development: Matthew Collins**

~~Mr. Ring has held this position with us since August 2018. He joined apetito UK in July 2002 as Finance Director where he is also responsible for IT and Business Analytics. Richard also serves as Vice President, Finance at apetito HFS. He joined HTHM Canada as Secretary-Treasurer in June 2008.~~ Mr. Collins became the Senior Director of Franchise Development in August 2024. Prior to joining us, he was the Vice President of Franchise Development for Zoom Room Dog Training from September 2023 until May 2024 and the Director of Franchise Development for Tropical Smoothie Café from May 2019

[until August 2023.](#)

**ITEM 3**

**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**

**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5**

**INITIAL FEES**

When you sign a Franchise Agreement for a Franchised Business, you must pay a non-refundable initial franchise fee of \$40,000. The initial franchise fee is not refundable. You must also purchase \$11,000 of opening inventory of Program Meals from us or HTHM Supply before opening the Franchised Business. If your Franchised Business does not commence operation or closes before you sell all of the initial inventory, we or our affiliate will repurchase the inventory in saleable condition less the Restocking Fees & Charges described in Item 6. You must destroy and discard any unsold inventory that we do not repurchase.

**ITEM 6**

**OTHER FEES**

Type of fee	Amount	Due Date	Remarks
Wholesale <del>Prices of</del> Products <del>Prices of</del>	Prices currently range from \$34.06 for an order of 16 smaller Program Meals in a single case to \$87.77 for a case of 12 regular size meals. The median wholesale price is \$71.52 per case. These prices are subject to change periodically when ingredient, labor, packaging and transportation costs change	Net 10 <del>Invoice</del> days after <del>Invoice</del>	You must pay us or our affiliate for the wholesale prices of Products you purchase. There is no royalty on Gross Sales of the Products to customers. You determine your order quantity depending on your projected needs and storage capacity. Cases can be ordered with 10- 16 meals. A 12 meal case is the most frequently ordered size.
Delivery Fee	Currently \$500.00 per month; subject to change once annually; begins with the month after the first	When invoiced	Covers costs of delivery of Products to your Franchised Location; we may change the Delivery Fee amount

	anniversary of your opening of the Franchised Business		and frequency once a year to cover changes in transportation and freezer storage costs
Local Marketing (Note 2)	3.00% of Gross Sales (Note 1)	Annually	You must advertise and market your Franchised Business in your market area and document your spending to us. (Note 2)
Marketing Fee (Note 3)	Between 2.00% - 5.00% of Gross Sales (Not currently assessed)	Weekly	Payable upon at least 30 days' prior written notice from us that we have established a Marketing Fund. Thereafter, payment must be made via electronic funds transfer weekly. (Note 3.)
Technology Fee	Currently \$138 monthly for a software <del>license</del> ; we <del>may change</del>	Weekly with Marketing Fee	We provide <del>_____</del> <del>certain</del> technology <del>_____</del> <del>certain</del> support <del>_____</del> <del>services</del> to franchisees

		<a href="#">license; we may change</a> after notice to you.		<a href="#">services to franchisees</a> to assist in using our designated technology systems for operating the Franchised Business. We do not currently charge a fee for this service. We may elect to impose an additional fee to cover these support costs and related overhead in the future on at least 30 days prior written notice to all franchisees, and modify the fee once annually after its imposition
Manager <del>Training</del> Tuition	<a href="#">Training</a>	Currently \$2,000, plus expenses incurred by the trainee to attend the training program	Within 15 days <del>of Invoice</del> Date <a href="#">of</a>	Payable for any replacement manager you send to attend our initial training program; you pay the trainee's compensation, benefits, travel, lodging and meal expenses
Additional Training Fee (Note 4)		\$150 per hour plus trainer's expenses for additional initial training requested by you	As Incurred	We may provide additional employee training at your Franchised Business Location. We may change this rate at any time.
Renewal Fee (Note 7)		50.00% of the then-current Initial Franchise Fee at the time of renewal	When you send your renewal notice at the end of the initial term	Paid if you renew when you give notice of renewal to us
Transfer Fees (Note 5)		50.00% of the then-current Initial Franchise Fee	Upon transfer	Payable if you transfer the Franchise Agreement or Franchised Business or on ownership change involving control of 50% or more of your equity interests
Audit Results and Accounting Fees (Note 6)		Cost of audit <del>and</del> accounting fees <a href="#">and</a>	Within 15 days <del>of</del> receipt of audit report <a href="#">of</a>	Payable if you understate Gross Sales by 2% or more
Interest		Lesser of Prime Bank <del>Rate plus 4.00%</del>	Within 15	Accrues from due date;

on Late Payments	per	days of <del>invoice date</del>	<del>Prime Bank Rate is</del>
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<u>Payments</u>	<u>Rate plus 4.00% per month or highest rate allowed by law</u>	<u>invoice date</u>	<u>Prime Bank Rate is published in <i>The Wall Street Journal</i> or another publication we deem reliable adjusted weekly</u>
Security Interest Enforcement Costs	Cost of enforcing security interest	Within 15 days of invoice date	You grant us or our affiliate a security interest in your inventory, equipment and proceeds from the sale of inventory to secure payment of amounts owed for the wholesale price of Products you purchase. If we foreclose on the collateral, you pay or reimburse us for the costs we incur including attorneys' fees and court costs to enforce our security interest, regain possession and store the collateral
Public Offering Fee	\$15,000	Upon request for approval of offering documents	Payable if you request our review of a placement memorandum or registration statement for any public or private offering your equity or debt securities
Indemnification Costs (Note 8)	Actual damages or settlement amounts, costs and expenses that we incur for an indemnified claim	Within 15 days of invoice	Payable to us for damages, costs and expenses incurred by us from third party claims arising from your operation of the business; includes our cost of defense and resolution
Convention Fee	Estimated to be \$700 per attendee, plus travel, lodging and meal expenses for each attendee	Within 15 days after invoice date	Payable in advance of our annual convention if we hold one. We may change this fee at any time in the Operations Manual. Fee charged for all mandated attendees
Bank Fees	Actual Bank Fees	As incurred	Payable if a bank

customer groups, hospitals and other health care facilities and senior care homes.

*Note 3. Marketing Fee.* Upon at least thirty (30) days’ prior written notice from Franchisor that it has established a Fund for national, regional, local or other advertising programs for the System (a “Marketing Fund”), each Franchisee will be required to contribute to the Fund an amount determined by Franchisor of not less than two percent (2.00%) nor more than five percent (5.00%) of the Gross Sales, payable weekly in arrears based on the prior week’s Gross Sales. We do not currently assess the Marketing Fund contribution.

*Note 4. Additional Training Fee.* The Additional Training Fee covers training and operational support provided at your request beyond the training and opening assistance that we provide as part of your initial franchise fee as described in Item 11. We currently charge \$150 per hour plus the trainer’s travel and living expenses for additional training. We may charge tuition, currently set at \$2,000 per trainee, if additional training is provided, or for additional people you send to attend initial training. See Item 11. We also reserve the right to change this fee at any time or to charge a reasonable amount for any optional additional training we make available after you open the Franchised Business.

*Note 5. Transfer Fee.* You must pay a non-refundable fee of 50.00% of the then-current initial franchise fee if you transfer the Franchise Agreement or Franchised Business or in the event of an ownership change involving control of 50% or more of your equity interests. We will not charge a fee for any transfer of your equity interests among any of your existing owners, any member of your immediate family or an initial transfer from an individual to an entity. Transfers include sales, gifts, donations, and exchanges for value or without value. See Item 17.

*Note 6. Audit Fee.* We may audit your accounts, books and records at our expense. However, if we find an understatement of 2% or more of your Gross Sales for any month, you must reimburse us for our out-of-pocket expenses and allocable administrative costs and overhead incurred to perform and report on the audit.

*Note 7. Renewal Fee.* The Franchise Agreement has an initial term of 7 years and provides for up to one additional 7-year renewal terms, all subject to certain conditions. To renew your Franchise Agreement, you must pay us a non-refundable renewal fee equal to 50.00% of the then current initial franchise fee at the time of renewal. See Item 17.

*Note 8. Indemnification.* You must defend, indemnify and hold us and our affiliates harmless from and against any claims asserted against us or our affiliates resulting from the operation of your Franchised Business.

**ITEM 7**

**ESTIMATED INITIAL INVESTMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of expenditure</b>	<b>Low Range Amount</b>	<b>High Range Amount</b>	<b>Method of payment</b>	<b>When due</b>	<b>To whom payment is to be made</b>
Initial Franchise Fee (Note 1)	\$40,000	\$40,000	Lump Sum	Upon Signing	Us
Permits and Licenses	\$500	\$1,000	Lump Sum	When Required	Government Agencies

Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
<u>Permits and Licenses</u>	<u>\$500</u>	<u>\$1,000</u>	<u>Lump Sum</u>	<u>When Required</u>	<u>Government Agencies</u>
Leasehold Improvements, Furniture, Fixtures, Equipment (Note 2)	\$2,000	\$10,000	As Agreed	As Incurred	Contractors
Freezer (Note 3)	\$30,000	\$130,000	As Agreed	As Incurred	Contractors
Freezer Equipped Delivery Vehicle with vehicle wrap sign (Note 4)	\$8,000	\$55,000	As Agreed	As Incurred	Supplier
Supplies (Note 5)	\$2,000	\$2,000	As Agreed	As Incurred	Suppliers
Computer Hardware for HTHM Proprietary Ordering and Inventory Management Software (Note 6)	\$1,500	\$2,000	As Agreed	As Incurred	Suppliers
Miscellaneous Opening Costs and Rent (Note 7)	\$4,000	\$10,000	As Agreed	As Incurred	Suppliers, Landlord
Opening Inventory (Note 8)	\$11,000	\$11,000	Lump Sum	Prior to Opening	Us or our Supplier Affiliate
Initial Training Travel and Living Expenses (Note 9)	\$2,000	\$2,000	Salary/Per Diem	As Agreed	Vendors
Trainee compensation cost during training (Note 9)	\$1,200	\$3,000	Weekly Payment	Payroll Due Date	Trainees
Deposits	\$1,000	\$1,500	Lump Sum	As Incurred	Suppliers
Insurance	\$900	\$1,800	As Agreed	As Incurred	Suppliers
Additional Funds (3 months) (Note 10)	\$25,000	\$50,000	As Agreed	As Incurred	Suppliers; Employees
<b>TOTAL</b>	<b>\$129,100</b>	<b>\$319,300</b>			

All payments to us and our affiliates are non-refundable. Any payments to third parties are subject to the refund policies of those third parties. We do not offer financing directly or indirectly for any part of the initial investment.

#### Notes

- (1) *Initial Franchise Fee.* See Item 5 for a description of the initial franchise fee. We do not

## Negotiated Purchases

We may negotiate purchase arrangements or discounts for your Franchised Business. Certain of our suppliers may allow you to participate in the volume discounts we receive. However, these volume discounts will extend only to pricing terms and will not include any of the credit terms we have negotiated. We do not otherwise negotiate purchase agreements on behalf of our franchisees or any distribution cooperative, and do not guarantee pricing, credit or other terms for vendors by our franchisees.

## Material Benefits

We do not provide any material benefits to you if you obtain goods or services from approved suppliers.

### ITEM 9

#### FRANCHISEE'S OBLIGATIONS

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

<u>Obligation</u>			<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
a.	Site selection and acquisition/lease		3.01, 3.02(b), 3.02(e)	11
b.	Pre-opening purchases/leases		3.04, 3.05, 6.01(a), 9.08, 9.14	8
c.	Site development and requirements	other pre-opening	2.04, 3.02(d), 3.04, 5.04, 9.02, 9.03, 9.06, 9.07	6, 7 and 11
d.	Initial and ongoing training		8.04, 9.03, 9.04	11
e.	Opening		3.05	11
f.	Fees		5.01, 5.02	5, 6 and 7
g.	Compliance with standards and policies/operating manual		2.07, 7.04, 7.05, 7.09, 7.10, 9.01, 9.16, 9.17, 9.22	11
h.	Trademarks and proprietary information		2.07, 4.02, 4.03, 4.04, 4.05, 12.01, Schedule D	13 and 14
i.	Restrictions on products/services offered		2.03, 3.03, 7.06, 7.08, 8.09, 9.01, 9.12, 9.19(d), 9.20	16
j.	Warranty and customer service requirements		9.02, 9.18	9
k.	Territorial development and sales quotas		2.02	12
l.	Ongoing product/service purchases		9.11, 9.13	8
m.	Maintenance, appearance, requirements	and remodeling	3.02(d), 3.03, 9.08, 9.09	11
n.	Insurance		9.07	6 and 8
o.	Financing		5.03	10
<del>p.</del>	<del>Advertising</del>		<del>7.07, 8.13, 9.19, 9.20</del>	<del>6 and 11</del>
<del>q.</del>	<del>Indemnification</del>		<del>14.01</del>	<del>6</del>

<del>r. Owner's participation/management/staffing</del>	<del>2.04, 9.02, 9.05, 10.05(e), 10.08, 10.09</del>	<del>11 and 15</del>
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<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
p. <a href="#">Advertising</a>	<a href="#">7.07, 8.13, 9.19, 9.20</a>	<a href="#">6 and 11</a>
q. <a href="#">Indemnification</a>	<a href="#">14.01</a>	<a href="#">6</a>
r. <a href="#">Owner's participation/management/staffing</a>	<a href="#">2.04, 9.02, 9.05, 10.05(c), 10.08, 10.09</a>	<a href="#">11 and 15</a>
s. Records and reports	5.02(1), 6.01, 6.02, 7.01,7.02	6
t. Inspections and audits	6.03, 6.04, 9.10	6
u. Transfers	10.02, 10.04, 10.07	6 and 17
v. Renewals	2.05	17
w. Post-termination obligations	11.04, 11.06, 11.08, 11.09, 12.03	17
x. Non-competition covenants	12.02, 12.03, 12.04	17
y. Dispute resolution	16.03	17
z. Other - Guaranty	Article XIII, Schedule F	1, 15

## **ITEM 10**

### **FINANCING**

Except as stated below, we do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

We secure your obligation to pay for Products with a Security Agreement in which you grant to us a first priority purchase money security interest in the Products you purchase from us or our supplier affiliate and the proceeds from the sale of the Products to customers. The security agreement covers the collateral of the franchisee at the Franchised Location and any other location where it is stored. Because our supplier sells meals on credit that can be resold easily in bulk or in retail transactions, the Security Agreement assures payment for this perishable inventory. The Security Agreement prohibits you from granting any secondary security interest in the Products or their proceeds. The Security Agreement requires that you maintain the Franchise Agreement in good standing, give notice to any landlord of the Franchised Location of our security interest, and generally reserves to us or our affiliate the rights of a purchase money security interest holder under the Uniform Commercial Code. If you fail to pay any invoice for Products when due, and such failure continues for thirty (30) days after written notice of default from us, we may initiate proceedings to foreclose on the collateral and take possession. We reserve the right to purchase any deficiency between the value of recovered collateral and the amount owed for unpaid Product invoices. You must maintain the collateral in saleable condition in the Franchised Location except for sales in the ordinary course of business and returns we authorize. The Security Agreement requires you to waive defenses and asserting any right or counterclaim arising under or relating to the Franchise Agreement as a defense under the Security Agreement.

## **ITEM 11**

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

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

Before you open your Franchised Business:

- (1) We do not typically own the Franchised Location and lease it to you. The Franchisor

			Marlborough, MA
Marketing and Sales	2	4	Head Office, Marlborough, MA
<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON- THE-JOB TRAINING</b>	<b>LOCATION</b>
Review and Franchise Supports	4	1	Head Office, Marlborough, MA
<b>TOTAL</b>	<b>19</b>	<b>21</b>	

Prior to the opening of the Franchised Business, the Franchisor will provide training to an Owner-Operator and to one (1) additional person designated by the Franchisee. The initial training program consists of training in all aspects of the System and the management and operation of a Heart to Home Meals business including training in food handling, customer service, driver training, marketing and promotion, office administration and reporting and employee training. The initial training program takes place over seven (7) days at the Franchisor's head office or, if required, it may be given virtually by way of a web-based classroom platform or other online resource. The cost of the initial training is included in the Initial Franchise Fee. However, the Franchisee is responsible for all travel, living expenses and wages or other compensation payable to its attendees during their attendance at training. You must complete this initial training to our satisfaction, which we determine based on our instructors' evaluation of your knowledge of the System and our method of operation. The initial training program will be offered as an needed basis, which we expect to be at least once a calendar quarter. Your Owner-Operator must attend and complete training so that your Franchised Business may open within 90 days after signing your Franchise Agreement.

The instructors for our training program and their relevant experience are:

<b>Instructor</b>	<b>Years Experience in Industry</b>	<b>Years Experience with Us and our Affiliates</b>
Raymond Costello	15	1.5
Pedro Santos	7	4
Sebastian Beaudet	6	3

The Franchisor will furnish continuing advice and guidance to the Franchisee as required with respect to System and the operation by the Franchisee of its Heart to Home Meals Business, as more particularly described in the Franchise Agreement. At the Franchisee's request, the Franchisor may provide special assistance for which the Franchisee will be required to pay such fees and expenses as the Franchisor designates. Replacement managers must attend initial training at a tuition cost set in the Operations Manual, currently \$2,000, plus the costs of compensation, benefits, travel, lodging, meals and incidental expenses of each trainee, to be paid by the Franchisee. We may mandate or suggest refresher courses for Owner-Operators and managers as and when we believe refresher training is appropriate, including as a result of operational failures of performance by a franchisee.

#### **ITEM 12**

#### **TERRITORY**

