

FRANCHISE DISCLOSURE DOCUMENT



Caring Senior Service Franchise Partnership, L.P.
a Texas limited partnership
201 East Park Avenue, #201
San Antonio, Texas 78212
(210) 757-4636 or (866) 528-7905
www.caringseniorservice.com
www.caringfranchise.com
www.facebook.com/caringfranchise
www.linkedin.com/company/caring-senior-service
jefffranchise@caringinc.com

This franchise is for the operation of a business providing non-medical assistance to the elderly and to disabled or infirm adults at their homes or places of residence.

The total investment necessary to begin operation of a Caring Senior Service® franchise ranges from ~~\$116,87497,892~~ to ~~\$176,116131,656~~. This includes \$49,000 that must be paid to the franchisor and/or its affiliate.

We also offer development rights through a Development Addendum to our form of Franchise Agreement, under which you will pay \$20,000 per Development Territory you wish to develop. This amount will be applied toward the initial franchise fee payable under each franchise agreement entered into for each Development Territory in connection with the Development Addendum.

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 format that is more convenient to you. To discuss the availability of disclosures in different formats, contact [Jeff Bevis](mailto:Jeff-Bevis@caringinc.com) at 201 East Park Avenue, #201, San Antonio, Texas 78212, (210) 757-4636, www.caringfranchise.com.

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, 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: ~~April 28, 2023~~

|
| May 17, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20, Exhibit D or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Caring Senior Service business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Caring Senior Service franchisee?	Item 20, Exhibit D or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **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.

MICHIGAN NOTICE

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition against you joining an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver or estoppel which would deprive you of rights and protections provided under the Michigan Franchise Investment Law. This does not preclude you, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits us to terminate your franchise prior to the expiration of its term except for good cause. Good cause includes your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration, of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This provision applies only if:
 - (i) The term of the franchise is less than five years; and
 - (ii) You are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or if you do not receive at least six months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew the franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This provision does not require a renewal provision in the Franchise Agreement or other agreement.
- (f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This does not preclude you from entering into an agreement, at the time of the arbitration, to conduct arbitration at a location outside of Michigan.
- (g) A provision which permits us to refuse to permit a transfer of ownership of the franchise, except for good cause. This provision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to:
 - (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of ours.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires you to resell to us items that are not uniquely identified with the franchisor. This does not prohibit a provision that grants us 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 it prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in (c), above.
- (i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions concerning this notice should be directed to the Michigan Attorney General's Office, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913, (517) 373-7117.

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- I – Franchisee Disclosure Acknowledgment Statement
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RECEIPTS

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

Caring Senior Service Franchise Partnership, L.P. (“we”, “our” or “us”) is a Texas limited partnership that was formed on September 7, 2001 and has its principal place of business at 201 East Park Avenue, #201, San Antonio, Texas 78212. We do business under our corporate name and under our trade name “Caring Senior Service.” We will refer to the person who buys this franchise as “you” or “your” throughout this Disclosure Document. If the franchise purchaser is a business entity, “you” or “your” also includes each partner, shareholder and/or other owner of that entity.

We are offering franchises for the operation of businesses operating under the “Caring Senior Service” name which will provide non-medical assistance to the elderly and to disabled or infirm adults at their homes or places of residence (the “Business” or “Franchised Business”). The franchise system includes programs for personnel management, sales promotion, advertising programs, franchisee training, business administration, business operations methods and other procedures and methods related to the operation of the business (the “System”). We have never offered franchises in any other line of business. Other than offering franchises under this Disclosure Document and owning Caring Senior Service® Businesses, we do not have any other business activities. We began selling franchises in February 2002. Our agents for service of process are listed in [Exhibit A](#).

Our Parent, Predecessors and Affiliates

Our President and Founder, Jeff Salter, began his first non-medical assistance to the elderly business in 1991 in Odessa, Texas.

We have no corporate parent. Our general partner is Senior Health Services, Inc. (“General Partner”), which is headquartered at our address. Senior Health Services, Inc. has never offered franchises in this or any other line of business. We do not have any predecessors.

Our affiliate, Enkiscrite, LLC (“Enkiscrite”), is a Texas limited liability company formed on January 16, 2024, and shares our business address. Enkiscrite is a service provider which offers to franchisees and other third parties, the use of its proprietary AI enabled software used for call management and client communication services.

We have no affiliates that offer franchises in any line of business ~~or~~, nor do we have any other affiliates that provide products or services to System franchisees. While we do not own or operate any businesses of the type described in this Disclosure Document, our affiliates do. We began offering franchises of the type described in this disclosure document in September 2001.

The System

Our System includes distinctively designed businesses including technology, systems, processes; specific equipment, materials and supplies; methods, uniform standards, specifications and procedures for operations; procedures for management control; training and assistance; and marketing, advertising and promotional programs; all of which may be changed, improved and further developed. A Franchised Business operates under our System and offers non-medical assistance to the elderly and to disabled or infirm adults at their homes and may also include the retail sale of related products, including personal emergency response systems, medical history bracelets, remote patient monitoring systems, and other home safety monitoring systems (the “Approved Services and Products”). You must operate your Business in accordance with the standards and systems we designate and in accordance with the Franchise Agreement and Operations Manual.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark “Caring Senior Service”, as are now designated and together with any other

proprietary marks as may in the future be designated by us in writing for use with the System (the “Proprietary Marks”).

The Franchise Offered

We offer you a franchise agreement (the “Franchise Agreement”), attached to this Disclosure Document as Exhibit B, which gives you the right to establish and operate one Franchised Business at a location mutually approved by you and us (the “Location”) within your approved geographic assigned Territory. The Franchise Agreement gives you the right to use the Proprietary Marks and the System solely with the operation of the Franchised Business, and, unless we agree otherwise, solely within your assigned Territory (See Item 12). Each Franchised Business will offer the Services under the Proprietary Marks. You will need approximately 650 to 800 square feet of office space for your Franchised Business, which can be in an executive suite of offices or other acceptable types of offices.

In addition to the establishment of new Franchised Businesses we offer a conversion program under which existing in-home care businesses may convert to a Caring Senior Service® Franchised Business. Conversion Franchised Businesses will receive certain fee reductions through our Conversion Addendum attached as Exhibit K to our form of Franchise Agreement.

Development Addendum

In certain circumstances, we will offer to you the right to acquire development rights under the Development Addendum attached as Exhibit L to our form of Franchise Agreement (the “Development Addendum”) to purchase the right to develop additional Franchised Businesses in agreed-upon territories contiguous to your assigned Territory under your first Franchise Agreement (the “Development Territories”). We will mutually agree-upon the additional Development Territories to be purchased before you sign the Development Addendum and they will be included in the Development Agreement. Under the Development Addendum, at least once every 15 months you must enter into our then-current form of franchise agreement for the chosen Development Territory and establish and operate a Franchised Business in that Development Territory.

Market and Competition

Your clients include people who are 65 years or older, disabled adults, and their families and their caregivers. The Franchised Business will offer non-medical in-home companion care and personal care services to legal adults. These services provide quality of life and ease of living to clients, and enable them to live independently in their homes.

The market for home care services continues to grow, in part, due to the demand for home care services for an increasingly aging population, and is highly competitive. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services to clients. You will also face other normal business risks that could have an adverse effect on your Business. These may include industry developments, such as pricing policies of competitors, and supply and demand.

Industry Specific Laws

You must comply with any federal, state or local licensing or regulatory requirements that may apply to your Business, and you must comply with all applicable federal, state or local laws related to the Business. Such legal and regulatory requirements may include, and are in no way limited to those that (1) establish licensing and certification requirements for businesses in general; (2) establish general standards, specifications and requirements for the construction, design, and maintenance of the Business location; (3) set standards pertaining to employee health and safety; and (4) establish laws and regulations regarding the employment and compensation of your employees. As the field of healthcare is a regulated industry, regulatory changes may impact the home care industry in the years ahead. If such changes occur, in addition

to any assistance we may provide, you will be responsible for identifying and complying with all current and developing legal and regulatory changes affecting your Business.

You should seek counsel or contact your state and local agencies for detailed information about applicable laws and regulations. There may be other laws of general applicability that could impact your operation. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

ITEM 2 BUSINESS EXPERIENCE

President and Founder – Jeff Salter

Mr. Salter is the Founder of the Caring Senior Service business. He has served as our President since our inception in 2001, and has served as President of our General Partner since September 2001 and November 2002 respectively, in San Antonio, Texas. Mr. Salter also serves as the President of our affiliates, each located in San Antonio, Texas, including Caring Senior Service USA, L.P. since September 2001 and Senior Health Services, Inc. since November 2001.

~~Chief Operating Officer – Jeff Bevis~~

~~Mr. Bevis has been our Chief Operating Officer since January 2023. From December 2020 through December 2022, he served as our Executive Consultant in San Antonio, Texas. From December 2009 to November 2020, he was the CEO of FirstLight Home Care, a home care business he co-founded with his son, in Cincinnati, Ohio.~~

Vice President – Ian Klaes, PT

Mr. Klaes has been our Vice President in San Antonio, Texas since January 2007, and he has owned and operated a Caring Senior Service franchise located in El Paso, Texas since August 2005 and Galesburg, Illinois since February 2012. Since 1998, Mr. Klaes has been a licensed Physical Therapist in the State of Texas.

Director of Support Services ~~Director~~ – Eric Carter

Mr. Carter has served as our ~~Director of Support Services Director~~ in San Antonio, Texas since May 2018. From March 2004 until May 2018, he served as the AVP of Research and Operations for South Texas Radiology Imaging Centers in San Antonio, Texas.

Director of HUB Services – ~~Del Salinas~~ Chrissy Ronje

~~Mr. Salinas~~ Ms. Ronje has served as our Director of HUB Services in San Antonio, Texas since ~~August 2019~~ July 2023. Previously, ~~Mr. Salinas~~ Ms. Ronje served as ~~the Director of Marketing for the City of Corpus Christi in Corpus Christi, Texas from February 2022 through July 2023. From February 2019 until November 2021, she served as the General Manager for Cracker Barrel Old Country Store and Director of Marketing for Dale Carnegie Training in San Antonio, Texas from October 2012 to August 2019.~~

Director of Training & Learning Management – Kimberly Johnson-Searcy

Ms. Johnson has served as our Director of Training & Learning Management in San Antonio, Texas since November 2019. Previously, Ms. Johnson served as the Learning and Development Manager for New/Asurion in Bellefonte, Arkansas from April 2007 through June 2019.

Director of Franchise Development – ~~Scott Suryan~~ Del Salinas

Mr. ~~Suryan~~ Salinas has served as our Director of Franchise Development in San Antonio, Texas since ~~September 2021. Previously, June 2023.~~ Mr. Suryan Salinas served as ~~the Franchise Development Manager for Pet Supplies Plus our Director of HUB Services in Livonia, San Antonio, Texas Michigan from July 2018 until September 2021. From August 2019 through June 2011 until January 2020 2023.~~ Previously, Mr.

~~Suryan Salinas served as Owner of the franchised business Two for The Dough LLC a General Manager for Cracker Barrel Old Country Store in Dearborn, Michigan. San Antonio, Texas from October 2012 to August 2019.~~

Director of Accounting – Vickie Honeycutt

Ms. Honeycutt has served as our Accounting Manager in San Antonio, Texas since September 2022. Previously, Ms. Honeycutt was the Accounting & Human Resources Manager for Davila Construction in San Antonio, Texas from October 2013 to September 2022.

Director of Marketing – Devin Bevis

~~Mr. Bevis has served as our Director of Marketing in San Antonio, Texas since June 2023. Previously, Mr. Bevis was the Director of Marketing for DreamMaker Bath & Kitchen in Waco, Texas from May 2021 to June 2023. From December 2009 until May 2021, he served as the Co-Founder & Executive Director, Franchise Services for FirstLight Home Care Franchising in Cincinnati, Ohio.~~

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Franchise Fee

The initial “Franchise Fee” of \$49,000 is payable when you sign the Franchise Agreement.

The Franchise Fee includes your pre-opening requirement of all computer software, including Tendio™ and ~~Client Terminal Services MS Office 365~~ software ~~installation~~, and your initial supply of certain forms and materials, including business cards, letterhead, envelopes, ~~and brochures, and management package.~~

In the event you are converting an existing in-home care business to a Caring Senior Service franchised business, we offer you a 50% discount on the Franchise Fee for the Territories being converted, as outlined in the Conversion Addendum attached as Exhibit K to the Franchise Agreement.

If you are entering into a subsequent Franchise Agreement for an additional franchise Territory, we offer you a 10% discount off of the Franchise Fee for your second Territory, a 15% discount off of the Franchise Fee for your third Territory, a 20% discount off of the Franchise Fee for your fourth Territory, and a 25% discount off of the Franchise Fee for your fifth Territory.

If you qualify for our VetFran military veteran’s discount, we will offer you a 20% discount off of the initial Franchise Fee for your first franchise Territory. This discount is available to veterans who have received a discharge (other than dishonorable) as well as any active duty personnel. If the franchisee is ~~a corporation, limited liability company, or other legal~~ entity, the veteran participant must maintain at least a 51% ownership interest in the entity to qualify for this discount. To apply for the discount, you must provide us with a copy of form DD-214, reflecting your military status, before the Franchise Agreement is signed. In the event you qualify for our VetFran military veteran’s discount and you are a conversion franchise, you may only benefit from one of these discounts.

If you qualify for our women-owned and minority-owned program, we will offer you a 20% discount off of the initial Franchise Fee for your first franchise Territory. If the franchisee is an entity, the female owner based on whose ownership you qualify for the discount must maintain at least a 51% ownership interest in

the entity, and the minority owner based on whose ownership you qualify for the discount must maintain at least a 51% interest in the entity.

The initial Franchise Fee is uniform for all franchisees and is nonrefundable when paid.

Development Fee

Under the Development Addendum to the Franchise Agreement, you will have the opportunity to purchase the right to develop additional Franchised Businesses in contiguous territories.

For each Development Territory we mutually agree to and included in the Development Addendum, you will pay to us, on the signing of your Development Addendum, \$20,000 per Development Territory included in the Development Addendum (the “**Development Fee**”). For example, if you are executing your first franchise agreement with us, and simultaneously entering into a Development Addendum for two Development Territories, you will pay to us: (i) a \$49,000 Franchise Fee under your first franchise agreement with us; and (ii) \$40,000 as a Development Fee under your Development Addendum (calculated as \$20,000 for each Development Territory).

In turn, during the term of the Development Addendum, we will not establish, or grant anyone else the right to establish, a Franchised Business within the Development Territories included in your Development Addendum. At least once every 15 months during the term, you must enter into our then-current form of franchise agreement for a Development Territory to be developed under your Development Addendum. As long as you exercise your development rights per the terms of the Development Addendum, the Development Fee will result in a credit of \$20,000 applied towards the initial franchise fee due under the terms of our then-current franchise agreement.

To the extent a multi-territory discount applies to the purchase of additional Territories under our then-current form of franchise agreement, such discounts will be applied at the time you enter into such future franchise agreement with us.

The Development Fee is uniform for all franchisees and is not refundable under any circumstances, regardless of whether you exercise your development rights, as compensation to us for our lost or deferred opportunity to grant franchises in the Development Territories.

**ITEM 6
OTHER FEES**

Fee	Amount	Due Date	Remarks
Royalties ¹	5% of Gross Billings ² or the Minimum Royalty Fee, whichever is greater.	Payable on the second Friday following completion of the two-week billing period	<p>See Note 2 for our definition of “Gross Billings.” Royalty Fees and other continuing fees are payable to us by Electronic Funds Transfer (“EFT”). The “Minimum Royalty Fee” amount equals \$150 for each two-week period in which Gross Billings are calculated during your first six months of operation and, afterwards, 5% of the applicable Gross Billings Target for each two-week period in which Gross Billings are calculated and as outlined in Item 12.</p> <p>For conversion Franchised Businesses, under the terms of a Conversion Addendum, we will impose a lower Royalty Fee amount and scale up to our standard Royalty Fee, however, as the amount of sales in the prior business impacts the length and type of Royalty Fee scale applicable, the interim Royalty Fee amounts are determined on a case-by-case basis and included in the Conversion Addendum.</p>
Technology Fee	Currently, \$700 <u>\$995</u> per month	Payable monthly on the second Friday following completion of the two-week billing period that includes the 1 st of the month.	<p>This Technology Fee is in exchange for a continuing license to use the required software in connection with your Business, and also to be used in connection with certain software and technology related costs we may incur.</p> <p><u>Currently, the Technology Fee includes the cost for third party tech support for franchisees, office phone systems used by franchisees, franchisee e-fax lines, and franchisees’ license fees for the Microsoft suite of software.</u></p> <p>Payable by EFT. We reserve the right to increase this fee and change the services offered or provided.</p>
Marketing Fee	2% of Gross Billings	Payable at the same time and in the same manner as the Royalty Fee	See Item 11.

Fee	Amount	Due Date	Remarks
Local Advertising and Promotion	\$5,000 during your first six months in operation; after which, if you do not have a full-time Homecare Consultant, we may require that you spend, in your next quarter, a maximum of the greater of \$2,500 per month or 1% of Gross Billings from your previous quarter	As incurred	<p>Payable to local advertising suppliers. All advertising you want to use must be pre-approved by us.</p> <p>After your initial expenditures during your first six months in operation, at any time that you employ a full-time Homecare Consultant, we will not require that you spend a minimum local advertising expenditure amount.</p> <p>During any period you do not have a full-time Homecare Consultant, however, you must prepare a quarterly marketing plan outlining your local advertising expenditure. We reserve the right to revise your plan, however, no revision we make will require that you spend, in your next quarter, more than the greater of \$2,500 per month or 1% of Gross Billings from your previous quarter. If you do not submit the required marketing plans and reports, or you do not substantially implement any approved marketing plan, we may conduct promotional activities in your Territory for which costs and expenses you agree to reimburse us.</p>
Internet Advertising	\$400 to \$1,000 per month	As incurred	Payable to third parties providing Internet directory listings and other online advertising suppliers we may designate or require you use.
<u>Enkiscibe AI Enabled Software</u>	<u>Currently, \$99 per month</u>	<u>Monthly</u>	<u>You may choose to use this call management and client communication AI enabled software provided by Enkiscibe. The monthly fee for this service is payable to Enkiscibe. Should you choose to use the Enkiscibe platform, you will sign the License and Service Agreement enclosed in Exhibit H to this disclosure document.</u>

Fee	Amount	Due Date	Remarks
Additional Training ³	<p>Our then-current training fee, plus expenses</p> <p>Current training fee <u>for virtual training</u> (per person): 3 Days = \$300 5 Days = \$500</p> <p><u>Current training fee for in-person training at our offices</u> <u>\$250 per trainee per day</u></p> <p>Caring University: <u>\$24</u>/per person per month</p>	When billed	<p>If you request that we provide additional training at our headquarters, either before you open or during the term of the franchise, we offer a 3 day or 5 day course. You must also pay the trainees' expenses, including travel, lodging, meals and wages.</p> <p>We may also require that you and certain designated personnel attend mandatory training programs we implement. These same costs and fees will apply to such mandatory training. For more information on our currently-required mandatory training programs, see Item 11.</p> <p>Ongoing training is currently provided through a combination of our Caring University online platform and in-person training.</p>
Additional On-Site Training	<p>Our then-current per diem rate per trainer, plus expenses</p> <p>Our current per diem rate is \$200<u>\$300</u> per day per trainer</p>	When billed	<p>At your request, and subject to our personnel's availability, we may provide additional training at your Business. You must pay us our daily fee for each trainer we send to your Business, along with reimbursement of each trainer's expenses, including travel, lodging and meals.</p>
Franchisee Conference Attendance ⁵	<p>Currently, \$500 per person for annual owner's conference and \$100 per person for other mandatory training conferences.</p>	Before attendance	<p>We reserve the right to hold periodic meetings or conferences and we may designate such conferences as mandatory for you and certain employees. We may charge and you agree to pay a fee for training materials and conference registration. You also agree to bear the cost for expenses you and your personnel incur in connection with conference attendance, including the cost of travel, lodging, meals, and wages. If you fail to attend the conference, the conference registration fee is still due and payable. If, however, you do attend the conference, currently we have elected to reimburse the conference attendance fee to you.</p>

Fee	Amount	Due Date	Remarks
The Hub™ Back Office Support Center	\$900/month	Monthly	You must use our centralized back office support center called The Hub™ during your first two full years of operation. No monthly fee will be due for your first three full months in operation.
GreatCare® Audit Fee ⁶	Currently, \$500 for up to three days	When billed	We require that you successfully complete a GreatCare® Audit, as defined in Note 6 below, at least once every 24 months.
Transfer Fee	20% of then-current Franchise Fee	Upon transfer of business	If you are an individual and wish to transfer your franchise to a corporate entity, one time only, for convenience of franchise ownership, we may, in our discretion, waive the transfer fee.
Renewal Fee	\$5,000	At time of renewal	Unlimited 5-year renewal terms.
Interest on Late Payments	1.5% per month or the highest legal contract rate, whichever is less	As incurred	Payable on all amounts owed to us that are not paid by their due dates. Interest accrues from the original due date until payment is received in full.
Interest on Late Promissory Note Payments	\$50	As incurred	Payable if payment is more than five days past due.
Administrative Fee for Billing Not Completed in our System for each Bi-Weekly Period	\$200 per billing period	As incurred	Payable if you have not completed your bi-weekly billing as required in our system to all clients on time for each period.
Audit	The cost of the audit (including costs related to travel, lodging, meals and other such related expenses)	As incurred	If an audit of your books is required due to your failure to provide required reports, or if the audit shows an understatement of Gross Billings of 2% or more, you must reimburse the costs of the audit. For any understated amount, you must also pay the understated amount plus interest.
Costs and Attorneys' Fees	Will vary under the circumstances	As incurred	Payable upon your failure to comply with the Franchise Agreement.
Indemnification	Will vary under the circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your operation of the Caring Senior Service Business.

Fee	Amount	Due Date	Remarks
Insurance	Will vary under the circumstances	As incurred	If you fail to maintain the required insurance coverages we may, but are not required to, obtain insurance coverage on your behalf.
Liquidated Damages	Will vary under the circumstances	Upon demand	See Note 4.
Remodeling/ Refurbishment of Caring Senior Service Business	Will vary under the circumstances	As incurred	Payable to suppliers. We may require you to remodel and/or refurbish your Caring Senior Service Business to meet our then-current image for all Caring Senior Service Businesses in the System. We will not make this request more frequently than every five years, except that we may require remodeling and/or refurbishment if your Caring Senior Service Business is transferred.
Management Fee	Currently, up to 10% of Gross Billings, plus expenses	If incurred	We may step in and manage your Business in certain circumstances. We will charge a management fee if we manage your Business, and you must reimburse our expenses. This Management Fee is in addition to all other payments due to us under the Franchise Agreement, including Royalty Fees and Marketing Fees.
Product or Supplier Evaluation	Reimbursement of our costs	On demand	If you request that we evaluate a proposed new product or supplier for the System. See Item 8

Notes:

1. If we are unable to access the Gross Billings amount for your Caring Senior Service Business, or if we permit you to report Gross Billings and you do not submit your report, we may debit your account for 120% of the Royalty Fee and Marketing Fee that we most recently debited. If the Royalty Fee and Marketing Fee we debit are less than the Royalty Fee and Marketing Fee you actually owe us, once we have been able to determine your true and correct Gross Billings, we will debit your account for the balance on a day we specify. If the Royalty Fee and Marketing Fee we debit are greater than the Royalty Fee and Marketing Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following period.
2. “Gross Billings” means all amounts clients are obligated to pay in connection with the sale of products and services related to the Franchised Business (including all amounts invoiced to clients), regardless of collection, less any sales taxes or taxes collected by you from your clients for transmittal to the appropriate taxing authority and authorized discounts, plus business interruption insurance proceeds.
3. Certain portions of our training include advanced courses and may require a certain level of knowledge, experience and/or qualifications before these advanced courses can be taken. Agency Directors, Homecare Consultants, Care Managers, or caregivers who have been certified must be re-certified every two years. We may provide other continuing or refresher training for our franchisees, and

we may designate that this training is mandatory for you, your Agency Director, Homecare Consultants, Care Managers, and/or your other caregiver employees.

4. If we terminate the Franchise Agreement with cause, you must pay us liquidated damages equal to the average monthly value of the Royalty Fees you paid to us during the most recent 12 months of operation before the termination multiplied by (a) 36, being the number of months in three full years, or (b) the number of months remaining in the Franchise Agreement had we not terminated it, whichever is less.

5. We currently conduct an annual franchisee conference and three quarterly training conferences at which we require your attendance. We may charge a fee for training materials and conference registration, and you are responsible for all expenses incurred in connection with conference attendance.

6. Our GreatCare® Audit is an internal inspection process implemented to ensure that Franchised Businesses are operating in accordance with our Standards and specifications. System Franchised Business owners have undergone specific training in order to conduct GreatCare® Audits at other Franchised Business locations. A typical GreatCare® Audit takes up to three days to complete, after which the auditor will submit to us, for our review and approval, a completed audit form with a list of suggested corrections. You will have 30 days to implement the corrections and to provide proof of such the correction, we may require that you pay a re-inspection fee not to exceed the initial GreatCare® Audit fee and reimburse us or our designee the travel-related expenses for such re-inspection.

7. All fees are uniformly imposed and payable to us, unless otherwise noted, and are payable by electronic funds transfer/automatic debit from your operating account, unless we specify otherwise. All fees are non-refundable.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Franchise Fee ¹	\$49,000	Lump sum	When Franchise Agreement is Signed	Us
Leasehold Improvements ²	\$0 to \$500 <u>1,000</u>	As agreed	As agreed	Contractor
Equipment, Furniture, Fixtures, Computer Systems and Office Supplies ³	\$5,000 to \$6,200 <u>7,000</u>	As agreed	As agreed	Us and/or Suppliers
Signage ⁴	\$0 to \$500 <u>1,000</u>	As agreed	As agreed	Us and/or Suppliers
Rent ⁵	\$800 to \$2,200 <u>600</u>	As agreed	As agreed	Landlord
Miscellaneous Opening Costs ⁶	\$3,000 <u>1,500</u> to \$5,000	As agreed	As agreed	Utility Companies; Insurance Companies; Attorney or Accountant

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Initial Marketing/ Grand Opening Event ⁷	\$6,500 to \$7,500	As agreed	As agreed	Approved Suppliers
Business Permits and Licenses ⁸	\$0 to \$5,600	As agreed	As agreed	Government Agencies
Initial Inventory ⁹	\$0 to \$300	As incurred	As incurred	Suppliers
Vehicle ¹⁰ – 2 months	\$400 to \$1,000	As agreed	As agreed	Third Parties
Branded Attire	\$50 to \$250	As incurred	As incurred	Suppliers
<u>Travel and Living Expenses While Training¹¹</u>	<u>\$4,400 to \$7,650</u>	<u>As incurred</u>	<u>As incurred</u>	<u>Airlines, Hotels, Restaurants</u>
Additional Funds – 6 <u>Months¹³ 3 Months¹²</u>	\$52,124 <u>30,242</u> to \$98,066 <u>43,756</u>	As incurred	As incurred	Suppliers
Total	\$116,874 <u>97,892</u> to \$176,116 <u>131,656</u>			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable.

Notes:

1. Franchise Fee. The Franchise Fee is described in greater detail in Item 5 of this Disclosure Document. The Franchise Fee includes your initial requirement of computer software, and your initial supply of certain forms and materials, including business cards, letterhead, envelopes, brochures, and management package.

We have not included a separate table for the initial investment if you sign the Development Addendum for the right to develop within additional Territories. If you sign the Development Addendum, then in addition to your estimated initial investment described above, you will pay us the Franchise Fee for each additional Territory reserved under the Development Addendum on your execution of the Development Addendum. Both the Franchise Fees and Development Fees are non-refundable.

2. Leasehold Improvements. We expect that your Approved Location will be in an ~~executive style~~ office suite or other suitable office space, and will require minimal, if any, improvements. The improvements you may need to make to the Approved Location include carpeting, décor items, wall treatments, or painting. The total costs of leasehold improvements will depend on the amount of work required to be done at the Approved Location, the cost of materials, labor and equipment, whether you must use union labor, the rates charged in your area, and similar factors. Our estimates do not include any tenant improvement allowance that you may negotiate from the landlord.
3. Equipment, Furniture, Fixtures, Computer Systems, and Office Supplies. This estimated range includes your pre-opening requirement of all computer hardware, a combination copier, fax, and scanner, all required furniture, the designated VOIP telephone system, and all basic office supplies.
4. Signage. Typically, executive suite complexes do not allow exterior signage for tenants occupying a small single suite. In those cases, we provide you with either a custom designed decal or laminated sign for your outer office door. The high estimate in the above chart represents the costs

for exterior signage in case your landlord should permit it. The ordinance of the town or municipality in which your Business is located may determine certain aspects of your exterior signage, such as size or color.

5. Rent. You will need to rent office space of approximately 650 to 800 square feet in size. Rental costs will vary widely and may be significantly higher than projected in this table depending on factors such as property location, population density, and economic climate. You should investigate all of these costs in the area where you wish to establish a Franchised Business. In addition to base rent, the lease may require you to pay common area maintenance charges (“CAM Charges”), your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. The actual amount you pay under the lease will vary depending on the size of the space rented, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region. The estimated range is comprised of a security deposit and one month’s rent. Costs for ongoing rent are included in additional funds. If you choose to purchase real property and/or build an office for your Business, you will incur additional costs that we cannot estimate.
6. Miscellaneous Opening Costs. Our estimates include security deposits, utility costs for the initial phase, professional fees (such as legal or accounting fees for your review of this offering and/or for the formation of an entity to purchase the franchise), and an insurance deposit.
7. Initial Marketing/Grand Opening Event. You must implement our marketing and sales program upon your return from our training program and you must also conduct a grand opening event to promote the opening of your Franchised Business within six months after the opening of the Business. The estimated amount includes your purchase of marketing collateral and food, all of which are required for your compliance with our marketing program. The low range in the above chart assumes you have incurred only the minimum required \$5,000 in local marketing expenditure requirement during your first six months in operation, plus \$1,500 for your grand opening event. The high range in the above chart assumes you spend some additional funds, over and above the minimum requirement, on local marketing during your initial six months of operation.
8. Business Permits and Licenses. These are estimated costs for the licenses and permits you may need to maintain for your Franchised Business. If you do not need to obtain any licenses or permits to operate your Business, you will not incur any costs under this category.
9. Initial Inventory. We do not require that you maintain an inventory of our Approved Products. You may either purchase these Approved Products on an as-needed basis, or you may elect to maintain an on-site inventory. If you elect to maintain an on-site inventory you should expect to incur the high range of costs included in the above chart. We will provide you with a complete list of recommended items and the related approved suppliers.
10. Vehicle. You will need a mode of transportation of your choice in order to market to referral sources and visit your clients. If you elect to purchase a vehicle for this purpose, the vehicle need not be new. The estimates in the chart reflect the cost to either lease or finance a vehicle for two months.
- ~~11.~~ 11. Travel and Living Expenses While Training. We will train up to three people at no charge. Our two-week training program, consisting of one week of virtual at-home study and one week of in-person training, is more completely described in Item 11. These estimates include only the out-of-pocket costs associated with attending our one-week initial training program at our corporate headquarters. These amounts do not include any fees or expenses for training any other personnel. The low figure assumes you are the Agency Director, and you also bring your Care Manager and Homecare Consultant to training; the high figure includes expenses and salary for the Agency

Director you hire, and assumes that you, your Agency Director, you Care Manager, and your Homecare Consultant all attend training.

12. Additional Funds. You will need capital to support ongoing expenses, such as payroll, rent, and transportation (including monthly car payments, if any), software license fees, etc. if these costs are not covered by sales revenue for your first sixthree months of operation. New businesses often generate a negative cash flow. We estimate, based on the experience of our franchisees, that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be sixthree months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after. The low figure accounts for one employed Care Manager and one employed entry-level Homecare Consultant, while the high figure accounts for one employed Agency Director and one employed Homecare Consultant. Regardless, these figures assume no salary for the franchisee owner.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Our reputation and goodwill is based on, and can be maintained only by, the sale of high quality Approved Services and Products and the presentation, packaging, service and sale of those services, products, and materials in an efficient and appealing manner. We have developed standards and specifications for various services, products, materials and supplies sold at or used in the operation of Franchised Businesses. You must operate your Franchised Business according to these standards. These standards may include the types, models and brands of required fixtures, furnishings, equipment, signs, materials and supplies to be used in operating your Franchised Business, required or authorized equipment, products and services offered to clients and product categories and designated or approved suppliers of these items (which may be limited to or include us). A list of the approved suppliers will be provided to you in our Operations Manual and other resources and manuals designated for use with the System, and this list is subject to change during the term of your Franchise Agreement.

Other than for bookkeeping services ~~and~~, HUB services, and the Enkiscribe software, neither we, nor our Parent or any affiliate of ours, is currently an approved supplier of goods or services, though we may be an approved supplier for other goods or services in the future. ~~Also~~Except for Mr. Salter and Mr. Klaes' ownership interest in Enkiscribe, none of our officers have an ownership interest in any other approved supplier.

All of your required purchases represent approximately 20% to 40% of your total purchases in connection with the establishment of your Franchised Business and approximately 50% of your overall purchases in operating the Franchised Business.

We reserve the right to earn revenue from approved suppliers in the form of rebates, commissions or other compensation based on purchases by Caring Senior Service Businesses in the System. There are no restrictions on our use of this money. ~~We have an arrangement with our former third party payroll company which still provides services to a select few franchisees where the payroll company pays us 10% of franchisee billings as a rebate, however, during our 2022 fiscal year, these amounts were applied to offset travel expenses for franchisee travel to our annual conference. We currently do not receive any other rebate amounts. We currently do not receive any other rebate amounts.~~

During the fiscal year ended December 31, 2022~~2023~~, our total revenue was \$2,665,178,467,733 of which 29.126% or \$775,551,320,915 was the result of franchisee purchases and leases from us. There are currently no purchasing or distribution cooperatives, but we reserve the right to establish these in the future.

You must purchase all equipment, furniture, computer hardware and software, including our proprietary Tendio™ software for business management, and other products and items, as well as services, used or offered for sale at your Business for which we have established standards or specifications solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to our continuing

reasonable satisfaction, the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Operations Manual or otherwise in writing. There are certain instances where you may obtain supplies from any source, such as copy paper, pens and other office supplies. We do not provide you with any material benefits, such as the grant of additional territories or additional franchises, based on your use of approved suppliers, but your compliance with our policies regarding approved suppliers will be taken into account if you choose to purchase another Franchised Business or if you renew your Franchise Agreement.

Currently, with respect to services used in connection with the operation of your Business, we require that you engage our designated telephone and tablet connection service provider, as well as our designated payroll services provider and bookkeeping services provider. We, or our affiliate, may serve as a required product or service provider. Currently, we are the licensor of the main business management software used in the operation of the Business as well as your required bookkeeping service provider. In addition, during your first two years in operation, you are required to use “The Hub” which is our centralized back office support services center, which includes such services as new client scheduling. We are the sole approved supplier of such centralized back office support services, bookkeeping services, and business management software.

If you want to use any product, material or render any service that does not comply with the standards of the System or is to be purchased from a supplier that has not yet been approved, you must first submit a written request for approval of the proposed product or supplier and obtain our approval of the product or supplier before purchasing the product or purchasing any items from this supplier. We will, within a reasonable time (within 30 days), notify you of our decision. We will establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned on requirements relating to product quality, production and delivery capabilities, ability to meet our supply commitments, financial stability, integrity of standards of service, familiarity with our System and ability to negotiate favorable terms for our franchisees. We do not generally make available to you or any proposed supplier our criteria for approval. You must not sell or offer for sale any products of a proposed supplier until our written approval of the proposed product or supplier is received. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that the products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must stop selling any disapproved products and stop purchasing from any disapproved supplier. We reserve the right to require you to reimburse our costs related to our evaluation of any proposed new product or supplier.

We may conduct market research and testing to determine consumer trends and salability of new services, products, and materials. You must cooperate by participating in our market research programs, test marketing new products and services and providing reports and other relevant information regarding marketing research.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverages that we require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. Our insurance requirements are included in the Operations Manual or otherwise in writing and may be periodically updated. You must comply with any changes to our insurance requirements, at your expense.

You currently must maintain the following insurance coverages, all of which must be written on an “occurrence” basis: (1) professional liability; (2) general liability; (3) hired and non-owned automobile

liability coverage; (4) crime coverage; (5) workers compensation; (6) employment practices liability; (7) property coverage; and (8) any insurance required by the state or locality in which the Franchised Business is located and operated, as may be required by the terms of the lease for the Approved Location, or as may be required by us in the future. The current limits for these coverages include the following: (i) commercial general liability insurance of not less than \$3,000,000 in the aggregate, \$1,000,000 per occurrence for products and completed operations, bodily injury and property damage, personal and advertising injury limits, \$50,000 for fire damages liability for any one fire, and \$5,000 in medial payments for any one individual; (ii) professional liability of not less than \$3,000,000 in the aggregate and \$1,000,000 per occurrence; (iii) automobile liability insurance for all owned, non-owned and hired automobiles with a single limit coverage of not less than \$1,000,000; (iv) worker’s compensation for at least the statutory requirements of your state(s) of operation; (v) employers liability of at least \$1,000,000 each accident, each employee, and policy limit; and (vi) bonding for damage or theft of client property of not less than \$25,000.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these 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. Each insurance policy must name us (and, if we request, our directors, employees or shareholders) as additional insureds and must provide us with 30 days’ advance written notice of any material modification, cancellation or expiration of the policy. If you do not purchase the required insurance coverages, we have the right to purchase the insurance on your behalf and you must reimburse us.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Agreement	Item in Disclosure Document
(a) Site selection and acquisition/ lease	Sections 3.1 and 3.2	Items 7 and 11
(b) Pre-opening purchases/ lease	Sections 3.1, 5.4, and 6.2	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Sections 4.1 and 4.2	Items 7 and 11
(d) Initial and ongoing training	Section 7.2	Items 6, 7 and 11
(e) Opening	Section 3.4	Item 11
(f) Fees	Sections 2.2, 5.1, 5.2, 5.3, 5.4, 6.1, 6.4, 7.3, and 16.2	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/ Operations Manual	Sections 4.4, 9.1, 9.2, 9.3, 9.4, and 11.1	Items 8, 11, 14 and 16
(h) Trademarks and proprietary information	Articles 10 and 11	Items 13 and 14

Obligation	Section in Agreement	Item in Disclosure Document
(i) Restrictions on products/ services offered	Sections 1.4, 8.2, and 9.1	Items 8 and 16
(j) Warranty and customer service requirements	Article 19	Item 16
(k) Territorial development and sales quotas	Section 9.3	Item 12
(l) On-going product/ service purchases	Section 9.1	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 2.2, 4.4, 9.1, and 9.2	Item 6
(n) Insurance	Article 12	Items 7 and 8
(o) Advertising	Sections 6.1, 6.2, 6.3, 6.4, 6.5, and 6.7	Items 6, 7 and 11
(p) Indemnification	Section 20.4	Item 6
(q) Owner's participation/ management/ staffing	Sections 7.1, 7.3, 7.4, and 9.1	Items 11 and 15
(r) Records/reports	Sections 5.7, 5.8, 5.9, and 6.4	Items 6 and 8
(s) Inspection/audits	Sections 5.10, 5.12, and 10.10	Item 6
(t) Transfer	Article 16	Items 6 and 17
(u) Renewal	Sections 2.2, 2.3, 2.4, 2.5 and 2.6	Items 6 and 17
(v) Post-termination obligations	Sections 14.1, 14.2, 14.3, 14.4, 14.5, and 14.6	Item 17
(w) Non-competition covenants	Sections 15.1, 15.2, 15.3, and 15.5	Item 17
(x) Dispute resolution	Sections 21.1, 21.2, 21.3, 21.5, and 21.10	Item 17
(y) Liquidated damages	Section 14.7	Item 6

**ITEM 10
FINANCING**

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

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: Before you open your Franchised Business, we will:

1. Consult with you on the location for your Franchised Business, which must be approved by us (Franchise Agreement – Section 3.2).
2. Consult with you regarding the development of your Franchised Business, including lists and specifications of approved equipment and signs needed to outfit your Business in accordance with our uniform image and standards (Franchise Agreement – Sections 4.1 and 4.2).
3. Lend you one copy of the Operations Manual in digital format (Franchise Agreement – Section 11.1). This Manual remains our property.
4. Train up to three people, the cost of which is included in your initial franchise fee (Franchise Agreement – Section 7.2). The trainees will travel to participate in our in-person initial training program, unless the initial training program must be provided wholly remotely for reasons outside of our control, such as changing pandemic conditions. The initial training program is described in detail later in this Item.

Continuing Obligations: During the operation of your Franchised Business, we will:

1. Provide guidance and assistance in the operation of your Franchised Business. This guidance may be provided in the form of periodic correspondence, field visits and telephone or written communications (including e-mail or through a password protected portion of our Website), and will cover topics such as products or services to be offered to clients; improvements and developments in your Franchised Business; pricing; administrative, bookkeeping, accounting and inventory control procedures; and operating problems encountered by you (Franchise Agreement – Section 8.1).
2. During your first 16 weeks of operation, we will contact you by telephone on a weekly basis to discuss your operations and to assist you with any questions you may have (Franchise Agreement – Section 7.2).
3. With respect to your first Franchised Business, during your first two months of operation, and at no additional charge to you, we will send one of our representatives to your Franchised Business for at least two days to review your operational experience and to answer any questions. If you are purchasing your second or additional Franchised Business, you must request that we provide this assistance (Franchise Agreement – Section 7.2).

Marketing Fee

We impose and collect a Marketing Fee of 2% of Gross Billings which compensates us for certain marketing and promotional activities, that we provide to you from time to time, such as the creation and production of promotional materials, third party marketing supplier expenses, digital marketing resources, or supporting in-house marketing efforts, including salary expenses. We will provide such advertising, marketing, and promotional services as we deem appropriate from time to time. While we have no contractual obligation to do so, it is our intent to spend Marketing Fee monies, or an equivalent amount, on regional and national brand development. We do not guarantee that you will benefit from the Marketing Fee in proportion to your Marketing Fee payments. Marketing Fee payments are not contributions to a fund, and we do not require that you contribute to an advertising or marketing fund.

Marketing Fee monies will not be held in a trust or escrow account, nor do we have any contractual obligation to account for Marketing Fee monies separately, and we will not have any fiduciary obligations to you with respect to the Marketing Fee. We will determine the use of the Marketing Fee monies. If

Marketing Fee monies are not spent in the fiscal year in which they accrue then, as these amounts are general operating funds, we may spend such monies as we deem appropriate. We will not be required to spend any particular amount on marketing, advertising, or promotion in your Business's market area, nor any pro rata amount based upon your Marketing Fee payment. While we are not required to audit Marketing Fee monies, on your request, we will provide you with our unaudited annual Marketing Fee expenditure report.

Local Advertising and Promotional Activities

You must maintain such Internet directory listings and conduct any other online advertising we may require for your Franchised Business. You may elect to, but we do not require that, you conduct additional local advertising in your territory after your first six months in operation, (Franchise Agreement – Section 6.2). You may purchase some advertising materials from our approved suppliers, or you may have advertising and promotional materials developed for you. For any materials that we have not previously approved or that have not been approved within the immediately preceding 12 month period, you must submit these materials to us for our review. We will have 15 days after receipt of the proposed advertising and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any advertising materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensation to you. All advertising must be conducted in a professional manner, in accordance with the Operations Manual, and must conform to current legislation. We reserve the right to demand the withdrawal of any advertising material at any time. At our request, you must include certain language in your local advertising, our Website address, and our designated telephone number. We do not have the right to form or require the formation of andan advertising fund or advertising cooperatives, and so we also cannot require that you ~~to~~ contribute to an advertising fund or participate in an advertising cooperative.

Provided that you employ a full-time Homecare Consultant, we do not require that you spend a certain minimum dollar amount in order to advertise the business, but we do require that you exert efforts to promote the Franchised Business in your Territory. If, however, you do not hire a full-time Homecare Consultant, we require that you spend, during your next quarter, a minimum of the greater of \$2,500 per month and 1% of Gross Billings attained in your previous calendar quarter, to advertise the Franchised Business in your Territory. The nature of the Franchised Business is such that certain promotional and marketing efforts, especially with respect to referral sources, may not cost a great deal monetarily, therefore, in order to ensure franchisees exert the effort required to promote the Franchised Business, we require that you submit: (1) quarterly marketing and promotional plans outlining efforts to be made during your next calendar quarter of operations, due the 15th day after the start of each calendar quarter in which the plan is to be implemented; and (2) monthly reports including efforts exerted and amounts spent during the previous month, especially as compared to the commitments made in your quarterly report, due no later than the 15th day of each month. We reserve the right to revise your quarterly marketing and promotional plans to ensure that minimum required efforts in accordance with our Standards are being exerted. Provided, however, that our revision of your marketing and promotional efforts will not require you to spend amounts exceeding the minimum amount as described above. If you don't submit the required monthly or quarterly reports, or you don't substantially implement the plans submitted, approved, and/or revised by us, we may, at our option, conduct marketing and promotional activities in your Territory and you agree to reimburse us for our related costs. We may, for example, send our designee to conduct certain promotional activities such as determining and visiting various referral sources in your Territory. We anticipate the cost for this type of expense to equal \$5,000 per month.

Grand Opening

You must implement our marketing and sales program upon your return from our training program. You must also conduct a grand opening event to promote the opening of your Franchised Business within the

first six months after your Franchised Business opens. See Item 7 for the amount you must spend. We must approve the plans for your grand opening event before you conduct it.

Initial Local Marketing

During your first six months in operation, you must spend at least \$5,000 on local marketing efforts we have approved. Any amounts spent on approved local digital or online marketing efforts will be credited towards the \$5,000 expenditure amount. Grand opening expenditures, however, will not be credited towards this minimum local marketing expenditure amount.

Advisory Council

We have formed an advisory council which we call the National Advisory Council (“NAC”). The NAC is made up of both franchisees and our representatives and advises us on matters relating to the System and Caring Senior Service Businesses in general. These matters may include advertising, exploring new methods, or other ways to improve the System and the Caring Senior Service brand. The NAC acts in an advisory capacity only and does not have any final decision-making authority. The franchisee representatives of the council are currently chosen by a vote of franchisees according to the NAC’s Bylaws. We may form, merge, change or dissolve any advisory council at any time.

Website / Extranet

Websites (as defined below) are considered as “advertising” under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term “Website” means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Business, Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

The Franchise Agreement provides that you are not permitted to establish any Website or online or digital presence related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet or through digital or other means without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website. You are strictly prohibited from promoting your Franchised Business or using our Proprietary Marks in any manner on social or networking Websites, such as Facebook, LinkedIn, and Twitter, without our prior written consent. If we consent to any such use, you must adhere to the standards and any specifications we implement, such as granting us administrative rights and agreeing to and complying with any and all social media or Internet usage policies we establish.

We will have the right to establish a website or other electronic system providing private and secure communications (*e.g.*, an extranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the extranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the extranet that you must acknowledge and/or sign.

Site Selection and Opening

Not later than 30 days after you sign the Franchise Agreement and at least 30 days prior to initial training, you must provide us with information we require concerning the location you propose to use for your Franchised Business. You must maintain an office presence in each Territory you own. If you purchase and operate more than one contiguous Territory, after the opening of your initial business office, we may, at our sole discretion, allow you to operate from an additional office with a smaller footprint. Such smaller office, referred to as your satellite or branch office, would be used for recruiting and limited operational purposes. The information we require may include a description of the location, photographs, location on

a map, and any other data that we believe is necessary for us to evaluate the proposed site. Your office must be located within your Territory. We may also require you to include a letter of intent, proposed lease or other document that shows you have favorable prospects for obtaining the site if we approve it. We will have 10 days after receiving all of the information we need to notify you whether the site is approved. The criteria we use in evaluating proposed locations includes general location, neighborhood, parking, size, physical characteristics of the building, availability of cable Internet, lease terms, accessibility from major roadways, and population density. If we do not provide our specific approval of your proposed location, it is deemed not approved. Franchisor does not typically own a premise which is then leased to a franchisee.

If we and you cannot agree on a site, we may terminate your Franchise Agreement. You must sign and have your landlord sign our form of Collateral Assignment of Lease, which is attached to the Franchise Agreement as Exhibit I. We reserve the right to review and/or approve any construction or build-out plans for your Approved Location, but we currently do not review these plans.

Your Franchised Business must be opened for business not later than 75 days from the effective date of your franchise agreement, unless we grant you an extension. In most cases training is completed within 45 to 60 days following execution of the Franchise Agreement. A Caring Senior Service Franchised Business usually opens for business within 75 days after the Franchise Agreement is signed. If you do not open your Franchised Business within this timeframe, we have the right to terminate your Franchise Agreement. You may not open your Franchised Business until: (1) you have complied with all requirements regarding site selection, leasing of the site and build-out (if necessary) of the Franchised Business, which is required to be located within your Territory; (2) the initial training program we provide has been completed to our satisfaction by all required persons; (3) the initial franchise fee and all other amounts due to us have been paid; (4) you have furnished us with all certificates of insurance required by the Franchise Agreement; (5) you have obtained all required governmental permits, licenses, bonds and authorizations necessary for the operation of your Franchised Business; and (6) you are in full compliance with all the terms of the Franchise Agreement.

Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to locate a space we will accept, to obtain any financing you need, to obtain required government licenses and permits, to complete our initial training program, and to complete the hiring and training of personnel, if any.

Training Programs

Before the Franchised Business's opening, we will provide a mandatory training program in the operation of your Franchised Business to you, and two additional trainees for a maximum of three trainees. If you will not be acting as the Agency Director, we recommend that this additional trainee be your appointed Agency Director. Approximately ~~one full week~~ two weeks of ~~classroom~~ initial training will be provided prior to the opening of the Franchised Business. The first week is provided virtually while the second week is provided on-site at our headquarters. Thereafter, soon after the opening of the Franchised Business, a 16-week continuation of our initial training program will help you and/or the Agency Director execute weekly operational and marketing objectives, provide educational content, and coordinate support and education from our corporate team members. The initial training program may be provided remotely if we decide that circumstances beyond our control make it prudent or necessary to provide training remotely. The cost of the training program is included in your initial franchise fee and will be provided to you and two additional employees (for a total of three people). As you will need to travel to participate in our initial training program, you will incur certain related travel and board expenses related to attendance. Additional trainings may be offered via webinars and Caring University, our online training site.

If you request and we agree to provide additional training to additional trainees at our designated training facility, either before your Franchised Business opens or while it is operating, you must pay our then-current training fee (see Item 6) in addition to paying all expenses incurred by your trainees.

You and your Agency Director (if not you), must complete our initial training program to our satisfaction. If we determine that you or the Agency Director have not completed or are unable to complete our initial training program satisfactorily, we may offer another chance to re-take the initial training program at your expense. You or your Agency Director's failure to complete initial training to our satisfaction will give us the right to terminate your Franchise Agreement.

We expect to offer our training program on a monthly basis 11 times each year. The instructional material we use in our training program includes content from our Operations Manual and any other information we believe will be beneficial to our franchisees in the training process. We project the following training schedule, offered entirely through in-person classroom training:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training ¹	Location
Company Introduction, Process and roles overview and Computer Orientation	4	4	San Antonio, Texas
Business Management	2	2.5	Post Training
Caregiver Recruitment	4	6	San Antonio, Texas
Caregiver Orientation	2	3	San Antonio, Texas
Caregiver Training	2	1	San Antonio, Texas
Caregiver Communication	1	1	San Antonio, Texas
Care Opportunity Call	2	5.5	San Antonio, Texas and Post Training
Client Care Consultation	2	3	San Antonio, Texas
Client Admission	1	1	San Antonio, Texas
Supervisory Visits	1	2	San Antonio, Texas
Care Coordination	1	1.5	San Antonio, Texas
Family Communication	0	1	San Antonio, Texas
Complaint Handling	0	1	San Antonio, Texas
Specialty Programs	1	0.5	San Antonio, Texas
Referral Services - Marketing	2	20	San Antonio, Texas
Online Lead Generation	0	1.5	Post Training
Referral Source Data Entry	0	2	San Antonio, Texas
Office Guidelines	1	1.5	San Antonio, Texas
Scheduling	2	2.5	San Antonio, Texas
Billing and Collection	2	2	San Antonio, Texas

Subject	Hours of Classroom Training	Hours of On-the-Job Training ¹	Location
Payroll	2	1	San Antonio, Texas
Finance	1	1.5	Post Training
Quality Assurance and Process Improvement	2	2	San Antonio, Texas
Emergency Preparedness Planning and Implementation	2	1	San Antonio, Texas
TOTAL	37	68	

Note 1. As our training is provided with initial virtual segments then subsequent in-person classroom training at our headquarters (or remotely if classroom training is not available), the “Hours of On-the-Job Training” will be provided in the context of replicated on-the-job situations.

Note 2. In the above table, any subject matter covered during “Post-Training” is typically provided through remote or virtual means as well as in-person training during your opening.

Our training program will be conducted and overseen by Jeff Salter, ~~Jeff Bevis~~, Ian Klaes, Eric Carter, Kimberly Johnson-Searcy, ~~Del Salinas~~ Chrissy Ronje, and Vicki Honeycutt. Jeff Salter’s experience in the industry dates back to September 1991 and, as our founder, has been with us since our inception in September 2001. ~~Jeff Bevis’ experience in the industry dates back to 2003 and he has been with us since January 2022.~~ Ian’s experience in the industry dates back to August 2005, and he has been with us since January 2007. Eric Carter has over 14 years’ experience managing operations for multiple medical imaging centers and has been with us since June 2018. Kimberly Johnson-Searcy has over 26 years of experience in training and development and has been with us since November 2019. ~~Del’s~~ Chrissy’s experience in ~~the industry and with us franchising~~ dates back to ~~November 2018~~ 2005 and she has been with us since July 2023. Vicki’s experience in the finance industry dates back 20 years and she has been with us since September 2022. We reserve the right to draw upon the substantial experience of our affiliates’ employees to assist in providing training.

Currently, during the term of the franchise, we require your employees to achieve certain levels of training and certification. The caregiver training levels include (1) Certified Caregiver, (2) Certified Advanced Caregiver, (3) GreatCare® Master Caregiver; and (4) Certification for Eight Specialty Programs. You are responsible for insuring that each employee receives the applicable training while in your employ. The training materials are designed for the employee(s) to receive the training and related certification at your Business location or via Caring University, our online training website. The continuing education materials must be provided by you to your employees as needed in order to allow you to adhere to the schedule contained in the Operations Manual. Each person must be re-certified every two years while in your employ.

We may provide other continuing or refresher training for our franchisees, and we may designate that this training is mandatory for you, your Agency Director, ~~managerial personnel~~ Care Manager, and ~~the individual responsible for sales efforts.~~ Homecare Consultant. For mandatory training, you will pay to us we may charge a related tuition amount. ~~Once you have attended the training in full, however, it~~ It is our current policy to ~~reimburse the total not charge a tuition amount you paid, however, we do charge a non-attendance fee.~~ For any mandatory or optional training, to the extent we require you to attend such training in person, you must pay for all expenses incurred by your trainees, such as travel, lodging, meals, and applicable wages. We also reserve the right to hold periodic meetings or conferences of our franchisees to discuss

new products and services, to provide additional training and/or for other issues. If we hold a franchisee meeting, attendance may be mandatory for you and/or your ~~Agency Director~~Care Manager and/or Homecare Consultant.

Currently, we have implemented a mandatory training program and require that one individual from each Franchised Business attend such training. For your first year in this training program, we require that you (or, if you are a business entity, one of your owners) attend the program. To help mitigate the cost of attending the program, during your first year of operation it is our current policy to reimburse you up to \$400 toward your flight costs and up to \$~~7090~~ per day for your hotel room. Afterwards, if you earn points through our internal incentive points program, you can apply points earned towards your conference fees. While we do not currently impose tuition for this required training program, we reserve the right to impose a reasonable tuition at a later date.

At your request, and subject to the availability of our personnel, we may provide you with on-site assistance and/or training at a mutually convenient time. You must pay our then-current per diem rate for each representative we send to your Business, and you must reimburse each representative's expenses while providing on-site training or assistance, including travel, lodging, and meals.

Computer Systems and Software

You must use the phone and computer system that we specify or approve in connection with the Franchised Business. Each franchise location must have three VOIP phones, and one electronic fax line. The phone hardware is supplied by us and the related services are provided by our designated vendor, Twilio, Inc. The current cost for your phone, fax, and virtual lines ~~are~~is approximately \$~~125150~~ per month and is included in the Technology Fee. Each computer must have a high-speed internet connection. Our specific requirements for your computer system will be included in the Operations Manual or otherwise in writing and are subject to change as technology changes. Currently you must have ~~three~~four Windows compatible computers, high speed internet with a dedicated IP address, one multifunction printer as approved by us, Tendio™ software, ~~Client Terminal Services software~~, one router, and one WiFi access point. We will provide you with the Tendio™ software ~~Client Terminal Services software~~ at no additional charge, but you must pay our monthly Technology Fee, currently \$~~700995~~ per month, and execute the Software License and Maintenance Agreement enclosed in this disclosure document as Exhibit H. The cost of the computer and phone systems is currently \$3,150.

We provide you and ~~two~~three additional employees access to our computer systems ~~through a terminal server environment~~. Additional users can be added to the network at a cost of \$100 per person per month. This access uses Windows PCs at the local level that connect to the server through ~~a secured Virtual Private Network (VPN)~~the internet. We provide each user with access to Microsoft Office Suite including Word, Excel, ~~Access~~ and Outlook. ~~Additionally, we provide owners with access to QuickBooks to manage various aspects of their business, the license fees for which are paid through the Technology Fee.~~

We do not require you to have an on-site maintenance contract for your computer system. We cannot estimate the cost of an on-site service contract for your computer system, since the cost will depend on the type of contract you choose, the rates of your provider, and the length of the contract term. If you use other computer systems or equipment in connection with your business, you must pay an additional monthly service fee for connection to the network and use in the business. These fees are charged by our vendor and you must contract directly with them.

Because all information and software programs are accessed from our main servers, our servers also contain all data related to your Franchised Business. All data related to your Business is our property and we grant you a license to use the data to operate your Franchised Business. There are no contractual limitations on our right to require you to provide us with access to data related to your Franchised Business, to access the information on our servers and related to your Business, or our use of this data. We will have independent access to the information generated and stored in your computer systems.

At our request, you must update and/or upgrade your computer system to include the components we require. We may also require you to completely replace your computer system. Any updates, upgrades or replacements must be done at your expense. There are no limitations in the Franchise Agreement on either our ability to require these updates, upgrades or replacements, or on their cost to you. Neither we nor any affiliate of ours are required to provide you with any computer maintenance, updates and/or upgrades, except that currently we provide you with maintenance, updates and upgrades to the Tendio™ software ~~and Client Terminal Services software.~~

Confidential Operations Manual

You must operate your Franchised Business according to the standards, methods, policies and procedures specified in the Operations Manual. One copy of the Operations Manual is loaned to you by us for the term of the Franchise Agreement after you complete the initial training program to our satisfaction. The Operations Manual may be in paper or electronic format. The Table of Contents of the Operations Manual is attached to this Disclosure Document as Exhibit E, and the Operations Manual includes approximately ~~406627~~ pages.

ITEM 12 TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate your Franchised Business only at the Approved Location. You will operate the Franchised Business at the Approved Location in protected territory covering a geographic area designated or described in Exhibit A to the Franchise Agreement (“Territory”). Your Territory will include a minimum population of ~~250200~~,000 where at least ~~1410~~% of the population will consist of people age 65 or older, as calculated by our designated mapping software, and may be described in terms of street boundaries, town boundaries, contiguous zip codes, or drawn on a map that is included in Exhibit A to the Franchise Agreement. Except as described above, 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. The Franchise Agreement does not provide you with a right of first refusal to acquire additional franchises; however you may reserve additional territories if you enter into our Development Addendum which is described below.

You may relocate your Franchised Business only with our prior written approval, and your new location must be within your Territory. Our approval will be based upon the same factors we use as for your original Approved Location. Our approval will not be unreasonably withheld. Our approval should not be construed as an assurance or guaranty that the new site will be successful.

Except for the Territory that you are granted during the term of the Franchise Agreement, we and affiliates have the right:

1. To establish and operate, and grant rights to other franchise owners to establish and operate, Caring Senior Service® Businesses or similar businesses at any locations outside of your Territory and on any terms and conditions we deem appropriate;
2. To sell services and products identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through alternative distribution channels, wherever located or operating. The term “alternative distribution channels” includes the Internet, catalog sales, telemarketing or other direct marketing sales;
3. To purchase or otherwise acquire the assets or controlling ownership of one or more businesses identical or similar to your Franchised Business, some or all of which might be located anywhere, including within your Territory;
4. To be acquired; and

5. To engage in any other business activities not expressly prohibited by the Franchise Agreement, anywhere.

You may sell the Approved Services and Products to clients who live within your Territory. You may not engage in any promotional activities or sell any products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the “Electronic Media”); through catalogs or other mail order devices sent or directed to clients or prospective clients located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located within your Territory, you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients outside of your Territory.

You may not make any sales or provide services to clients located outside of your Territory, unless the client is located in an area where there is not another Caring Senior Service® Business in operation or you have the other franchisee’s written permission to provide services to clients in its territory and you have provided us a copy of such permission in writing prior to providing services to such franchisee’s clients. Your failure to abide by these client service restrictions is a material event of default under the Franchise Agreement. We may, however, permit you to cure this default if: (1) you remit 40% of Gross Billings related to the unauthorized client to the franchisee in whose Territory the client is located, and (2) you transfer the client to such franchisee within three days of your receipt from notice from us or in accordance with applicable law, whichever is later. If that area is subsequently sold to a new franchisee, we may require that you cease servicing the clients in that area and that you transfer all client information to the new franchisee. We may, however, in our sole discretion, allow you to continue to provide services to some or all of your established clients in the area sold to the new franchisee.

We may sell products and services under the Proprietary Marks within and outside your Territory through any method of distribution other than a dedicated Caring Senior Service Business, including sales through alternative channels of distribution (as described above). You may not use alternative distribution channels to make sales outside or inside your Territory except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive requests for the Services or any other products or services offered by a Caring Senior Service Business calling for delivery or performance in your Territory, then we will offer the request to you. If you choose not to fulfill the request or are unable to do so, then we or a third party we designate (including another franchisee) may fulfill the order, and you will not be entitled to any compensation in connection with this. Any leads generated by our Website will remain our property.

We have not established other franchised or company-owned Businesses or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do anywhere.

We have not established other franchised or company-owned Businesses which sell products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

To maintain your rights to the Territory and the Franchised Business, you must meet the following minimum performance criteria:

Period for Achievement	Gross Billings Target¹ (For Each Two-Week Billing Period during the Period for Achievement)
Month 7 through Month 9	\$5,000
Month 10 through Month 12	\$7,500
Month 13 through Month 15	\$10,000
Month 16 through Month 18	\$12,500
Month 19 through Month 21	\$15,000
Month 22 through Month 24	\$17,500
Month 25 through the end of Term	\$20,000

You must achieve the Gross Billings Target during each two-week period in which Gross Billings are calculated during the Period for Achievement. If any two-week Gross Billings period spans across two Periods for Achievements, the lower Gross Billing Target, if any, will apply.

If you do not meet and maintain the minimum performance criteria we may, in our sole discretion, modify your Territory, modify your territorial rights (including revocation of exclusivity), or terminate your Franchise Agreement.

Development Addendum

Under the Development Addendum, you have the right to reserve additional Territories for future purchase. We will mutually agree on the additional Development Territories for which you are purchasing the right to develop and include each under the terms of your Development Addendum. In order to develop a Franchised Business in each Development Territory, you must execute our then-current form of franchise agreement. During the term of the Development Addendum, we will not develop nor grant to anyone else the right to develop a Franchised Business within the Development Territories. Except as described above, 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.

At least once every 15 months under the term of the Development Addendum, you must enter into a franchise agreement for one of the Development Territories designated in the Development Addendum and open the corresponding Franchised Business. You may request in writing, and we will give you, one six-month extension per 15-month development period. If you miss the deadline to sign a franchise agreement or open the corresponding Franchised Business every 15 months, or by the end of any requested six-month extension, if applicable, the Development Addendum will automatically expire and we will be free to sell those Territories to another franchisee. At the time you apply to us to exercise your development right and enter into a franchise agreement, you must: (1) be in compliance under your agreements with us and our affiliates; (2) be operating your existing Franchised Businesses and we determine that you are capable of operating an additional Franchised Business; (3) you satisfy our then-current financial criteria for franchisees; (4) you have achieved minimum performance benchmarks for multi-Territory franchisees as set in our Operations Manual; (5) in the preceding 12 months you have not been in financial default under your agreements with us or our affiliates; (6) you have submitted all information and documents requested by us; (7) you and your guarantors execute our form of general release.

ITEM 13 TRADEMARKS

We own and grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your Franchised Business, including our primary service mark “Caring

Senior Service,” (the “Proprietary Marks”). The following Proprietary Marks have been registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”). We intend to file all required affidavits when due.

Mark	Registration Date	Registration Number	International Class
Caring Senior Service (standard characters)	3/22/2011	3,934,009	045
Caring Senior Service Healthy. Happy. Home. (updated logo design)	3/22/2011	3,934,010	045
Grow with us. Care with us. Change lives with us. (standard characters)	12/14/2010	3,890,342	035
GreatCare	06/07/2011	3,972,969	045
HEALTHY.HAPPY.HOME.	08/14/18	5,538,501	045

There are no currently effective determinations of the USPTO, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state.

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We may defend you against any third party claim, suit or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Proprietary Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must conspicuously post a sign and include on all written materials, including advertisements, stationery, business cards, etc., the following: “Independently owned and operated.” You may not use the Proprietary Marks or any part or derivative of the Proprietary Marks on the Internet, except as expressly permitted in writing. This prohibition includes use of the Proprietary Marks or any derivative of the Proprietary Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking website, or as part of any unauthorized email address.

We reserve the right to substitute different trademarks for use in identifying the System and the businesses operating under it, at our sole discretion. You must comply with any changes in or substitutions of the Proprietary Marks at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no patents or registered copyrights material to the franchise. However, we claim copyright protection in the Manual, the design elements of our marks, our product packaging and advertising and promotional materials, and the content and design of our website and advertising materials (the "Copyrighted Works").

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We have no obligation to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Copyrighted Works on the Internet without our written permission. This includes display of the Copyrighted Works on commercial websites, gaming websites, and social networking websites (such as Facebook, LinkedIn, or Twitter).

Confidential Operations Manual

You must operate your Franchised Business according to the strict standards, methods, policies and procedures specified in the Manual. One copy of the Manual is loaned to you by us for the term of the Franchise Agreement after you complete our initial training program to our satisfaction. We reserve the right to provide the Manual to you electronically or on a password protected Website.

You must treat the Manual, any other of our manuals which are used in the operation of your Franchised Business, and the information in them as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place at the Franchised Business.

We may revise the contents of the Manual, and you must comply with each new or changed standard. You must make sure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by us at our corporate office will be controlling.

Confidential Information

You must not, during the term of the Franchise Agreement or after the term of the Franchise Agreement, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge or know-how concerning client information, the methods of operation of the Franchised Business which may be communicated to you or which you may learn because of your operation under the terms of the Franchise Agreement. Confidential information means all trade secrets, method of operations, and other elements of the System, as well as all client information, all information contained in the Manual, financial information, marketing programs and data, vendor and supplier information, all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised by virtue of your operation of the Business under the Franchise Agreement, and all other information that we designate as confidential (collectively, "Confidential Information"). You may divulge this Confidential Information only to those of your employees who have access to and who operate your Franchised Business. You must strictly comply with all privacy laws related to your clients and information pertaining to them.

You must have your Agency Director and any personnel having access to any of our Confidential Information sign agreements that say that they will maintain the confidentiality of information they receive

in connection with their employment by you at your Franchised Business. The agreements must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them, and that they prohibit any direct or indirect ownership in a competing business. You must provide us with a copy of each signed agreement.

You may not contest our exclusive ownership of the copyrights, trade secrets, processes, methods, procedures, techniques and other proprietary information to which we claim exclusive rights.

If you or your employees or owners develop any new concept, process or improvement in the operation or promotion of your Caring Senior Service® Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

The Franchised Business must be locally supervised by an Agency Director or an owner of the franchise. We do not require that your Agency Director own equity interest in the franchisee, if franchisee is a business entity. The Agency Director must successfully complete our initial training program and must devote full time and best efforts to the management and operation of the Franchised Business. We have the right to approve or disapprove the Agency Director based on their ability to meet our training requirements.

You must comply, and you must ensure that your Agency Director complies, with all applicable laws and you must not harm the goodwill associated with the System and the Proprietary Marks (this requirement may affect who you hire as your Agency Director). As specified in our Operations Manual, if you or, if franchisee is a business entity, one of your owners, elects to act as the Agency Director, you must also hire a Care Manager and Homecare Consultant, before you open your Franchised Business. If you have elected to hire an Agency Director from the beginning of your operations, you must still also hire both a Care Manager and a Homecare Consultant. If the franchisee is a business entity, one of your owners, may elect to serve in either of the three above-identified positions, however each of these three positions must be held by different individuals. The number of individuals on your staff will likely grow as you increase your business volume.

For your second and subsequent Caring Senior Service® Franchised Businesses, you agree to abide by any different or additional staffing requirements we may impose.

The Agency Director and other key employees must sign an agreement not to reveal Confidential Information obtained while employed by you.

You must operate the Franchised Business in strict conformity with all applicable Federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and you must adhere to them and to the then-current implementation or interpretation of them. You must promptly notify us of any applicable laws and regulations which relate to or affect your Business operations.

Each Caring Senior Service® Business will need, at a minimum, an Agency Director, a Care Manager, and a Homecare Consultant. We recommend, but do not require, that you or one of your equity owners, if franchisee is a business entity, be either the Agency Director or Homecare Consultant for your Franchised Business.

If you are a business entity, each owner must sign a Continuing Guaranty substantially in the form attached as [Attachment F](#) to the Franchise Agreement. An owner's spouse is not required to sign a personal guaranty. The term "owner" means each individual or entity holding a direct or indirect beneficial ownership in the

franchisee or developer. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust, as well as each of their owners, if any.

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

You must use the Franchised Business solely for the operation of the Franchised Business. You must keep your Franchised Business open and in normal operation for the minimum hours and days as we specify, subject to local law or the terms of your lease. You must not use or permit the use of the Franchised Business for any other purpose or activity at any time without first obtaining our written consent. You must operate the Franchised Business in strict conformity with the methods, standards and specifications we require in the Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent; and you must stop selling and offering for sale any services which we may, in our discretion, disapprove in writing at any time.

You must offer and provide clients all Approved Services and Products that we specify and designate, and only the Approved Services and Products. We have the right to change the Approved Services and Products and there are no limits on our right to make changes.

The System may be periodically supplemented, improved or modified by us. You must comply with all of our reasonable requirements in that regard, including offering and selling new or different Approved Services or Products as specified by us.

You are restricted by the Franchise Agreement, the Manual and any other practice or custom with respect to the goods or services which you may offer, which must be approved by us. You are not restricted as to the clients whom you may solicit or service within your Territory; however there are certain restrictions that apply outside of your Territory (See Item 12).

**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP**

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

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 2.1	Five years.
b. Renewal or extension of the term	Section 2.2	Three five-year renewal terms.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 2.2	You must : (a) give us written notice six to nine months prior to the expiration of the then-current term; (b) not be in breach of the Franchise Agreement or any agreement between us or our affiliates; (c) be compliant with all GreatCare certification requirements for your staff and caregivers; (d) execute the then-current form of franchise agreement and all other ancillary agreements, which may contain terms and conditions materially different from your original agreement; (e) have the right to remain in possession of the Business premises, or have secured a new Business location approved by us;(f) if relocating the Business the new location must comply with the requirements of the new Franchise Agreement; if not relocating the Business, repair and update the existing Business premises to bring it up to the then-current standards of the System; (g) at the time of renewal be current with all monetary obligations to us and our affiliates and you must have been current at all times during the preceding twelve month period; (h) execute a general release releasing all claims against us, our officers, directors and shareholders; and (i) pay us a renewal fee of \$5,000.
d. Termination by franchisee	Not applicable	Not applicable
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Article 13	We can terminate if you materially default under your Franchise Agreement, or any other agreement between you and us. In the event of the death or permanent incapacity of an owner, we may terminate if you fail to adhere to the applicable transfer requirements within 180 days of the death or permanent incapacity of the applicable owner.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Section 13.3	<p>Good cause is a material breach of the Franchise Agreement or any other agreement between you and us and also includes: (a) your failure or refusal to pay amounts owed us or our affiliates within 10 days after our demand for payment; (b) your failure to maintain sufficient funds for us to electronically debit amounts owed to us, or your failure to honor checks presented to us for payment, on two or more occasions during the franchise term, or you repeatedly and consistently submit payment after its due date; (c) you fail to comply with the terms of the Franchise Agreement within 30 days after your receipt of our written notice; (d) you fail to submit the financial or other information we require under the Franchise Agreement within 30 days after your receipt of our written notice; (e) you breach your confidentiality obligations or fail to obtain execution of covenants and related agreements required within 30 days after being requested to do so (f) you divulge confidential information; (g) you or any of your owners fail to comply with the in-term covenants, or you fail to obtain execution of the covenants and related agreements within 30 days after your receipt of our written notice; (h) you violate the terms by providing products and/or services in another franchisee's territory, and you fail to cure this default within seven days of notice, and you fail to transfer clients to franchisee within three days of notice; (i) you fail to implement any GreatCare® Audit correction within the allotted 30-day period or fail to provide proof of correction and then, additionally, fail to implement the corrections or provide proof of correction within 14 days after your receipt of our written notice; (j) you fail to procure and maintain the required insurance coverage within seven days following your receipt of our written notice; and (k) you misuse or make any unauthorized use of the Proprietary Marks or otherwise impair the goodwill associated with the Proprietary Marks or our rights, and fail to comply within 24 hours following your receipt of our written notice.</p>

Provision	Section in Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	Section 13.2	We may terminate the franchise immediately if you: (a) impair or threaten to impair the Marks or the System; (b) become insolvent; (c) make an assignment for benefit of creditors; (d) are blocked under any law or you violate any law relating to terrorist activities; (e) operate or sell services in an unapproved location; (f) abandon or lose right to the Business premises; (g) are convicted of a felony or other crime that may have an adverse effect on the System or Proprietary Marks; (h) operate the Business in such a manner as to be a danger to public health or safety; (i) transfer any interest without our prior consent; (j) fail to transfer upon death or permanent disability within the time period provided; (k) maintain false books or records; (l) fail to acquire an Approved Location within the time period provided; (m) fail to satisfactorily complete our initial training program; (n) fail to open the Business within the time period provided; (o) repeatedly commit material defaults; (p) become a patient under the mental health laws of any state; (q) provide false information in your franchise application; (r) repeatedly fail to attain your minimum Gross Billings targets, (s) materially breach any covenants or make false representations or warranties, (t) fail to actively carry on business; (u) submit two or more reports understating revenues; (v) fail to submit report more than five days late or on two or more occasions; (w) violate any law; (x) you have repeated and frequently justifiable complaints made by your clients; (y) you offer or sell any product or service that is not approved by us.
i. Franchisee’s obligations on termination/non-renewal	Article 14	Obligations include payment of amounts owed to us and other creditors within seven days following the expiration or termination; stop using confidential information and materials, return of the Manuals and retention of records; cancellation of assumed names and transfer of phone numbers to us; and de-identification of the premises; cancellation or assignment to us of online listings or advertisements; cooperate with us if we elect to exercise our right to repurchase the tangible assets of the Business; and payment of liquidated damages to us (subject to state law).
j. Assignment of contract by franchisor	Section 16.1	There is no restriction on our right to assign, transfer or sell our rights under the Franchise Agreement.
k. “Transfer” by franchisee - definition	Sections 16.2 and 16.3	A transfer includes assignment, transfer, sale, gift or other disposition of any interest in the Franchise Agreement, the Business, the assets or a substantial portion of the assets of the Business, or the franchise entity.

Provision	Section in Franchise Agreement	Summary
l. Franchisor approval of transfer by franchisee	Sections 16.2, 16.3, 16.4 and 16.7	You must obtain our consent before transferring any interest.
m. Conditions for franchisor approval of transfer	Sections 16.2, 16.3 and 16.4	Includes payment of money owed to us, you are not in default of the Franchise Agreement, you and your owners sign a general release, transferee qualifies, transferee signs a new agreement and successfully completes training; transferee purchases all assets used in the Business and assumes all your business liabilities; and payment of the transfer fee.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16.5	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions of any bona fide offer.
o. Franchisor's option to purchase franchisee's business	Section 14.6	Upon expiration or termination, we have the option (but not the obligation) to purchase all tangible assets of the Business, including real property.
p. Death or disability of franchisee	Section 16.7	Franchise must be assigned to approved buyer within six months following the death or permanent incapacity of you or your controlling shareholder.
q. Non-competition covenants during the term of the franchise	Section 15.1	Includes prohibition on owning or operating a business which sells similar services.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2	For a period of two years after the expiration or termination of the franchise, you may not own or operate a business which sells similar services within 15 miles of your former Territory or within 15 miles of the territory of any other franchisee in the System.
s. Modification of the agreement	Section 24.9	The Franchise Agreement may not be modified unless mutually agreed to in writing; but the Manuals, various policies, required purchases and services and the Marks are subject to change.
t. Integration/merger clause	Section 24.2	Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable law). Any representations or promises outside of the Franchise Disclosure Document and the Franchise Agreement may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 21.1	Except for certain claims requesting injunctive relief, all disputes must be arbitrated in the city where we maintain our headquarters, currently, San Antonio, Texas (subject to state law).
v. Choice of forum	Section 21.3	In the city where we maintain our headquarters, currently, San Antonio, Bexar County, Texas, except for applicable franchise laws of other states.
w. Choice of law	Section 21.10	Texas law applies generally, except for applicable franchise laws of other states.*

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

The following charts include historical financial information based on the past performance of existing franchisees. Specifically, presented below are the Gross Billings figures of our franchised Caring Senior Service® Businesses for the ~~2023~~2022 calendar year. -As of the end of the ~~2023~~2022 calendar year, ~~48 Franchisees~~there were ~~in operation for a minimum of one~~ 48 Territories and 45 Caring Senior Service® Businesses franchisee office locations which had been open and operating during the full 2023 calendar year. There are a reduced number of franchisee office locations as three franchisees operate two office locations which each provide services for three Territories. Each of ~~which these 45 franchisee office locations~~ are disclosed in the ~~chart~~“All Franchisees” portion of the table below.

All Franchisees:— with Minimum Required Staff: 20232022 Gross Billings	
Number of Franchises	48 21
Range of Gross Billings	\$2, 536,282 432,348 to \$116,886 578,936
Average Annual Gross Billings	\$ 766,174 1,245,155
Median Gross Billings	\$ 673,244 1,344,459
Number and Percentage of Franchisees Greater Than Average	18 11 or 39% 52%
Number and Percentage of Franchisees Less Than Average	2810 or 61% 48%
Average Gross Margin	46.65% (29 48.79%)

	(10 or 60 48% met or were greater than the average; 19 11 or 40 52% were less greater than the average)
Median Gross Margin	47.94% 48.3%
<u>All Franchisees with Minimum Required Staff³: 20232022 Gross Billings</u>	
Number of Franchises	35 45
Range of Gross Billings	\$2,536,282 432,348 to \$355,061 158,374
Average Annual Gross Billings	\$ 873,553 868,193
Median Gross Billings	\$ 746,700 724,094
Number and Percentage of Franchisees Greater Than Average	15 19 or 43% 42%
Number and Percentage of Franchisees Less Than Average	20 26 or 57 58%
Average Gross Margin	46.85% (25 49.24% (24 or 71 53% met or were greater than the average; 15 21 or 29 47% were less than the average)
Median Gross Margin	48.29 49.5%
<u>Franchisees First Full 12 Months: 2023 Gross Billings</u>	
<u>Number of Franchises</u>	<u>2</u>
<u>Range of Gross Billings</u>	<u>\$370,556 to \$292,456</u>
<u>Average Annual Gross Billings</u>	<u>\$331,356</u>
<u>Median Gross Billings</u>	<u>\$331,356</u>
<u>Number and Percentage of Franchisees Greater Than Average</u>	<u>1 or 50%</u>
<u>Number and Percentage of Franchisees Less Than Average</u>	<u>1 or 50%</u>
<u>Average Gross Margin</u>	<u>55.85%</u> (1 or 50% met or were >average; 1 or 50% were <average)
<u>Median Gross Margin</u>	<u>55.85%</u>
<u>Franchisees Second Full 12 Months: 2023 Gross Billings</u>	
<u>Number of Franchises</u>	<u>4</u>
<u>Range of Gross Billings</u>	<u>\$939,541 to \$158,374</u>
<u>Average Annual Gross Billings</u>	<u>\$640,198</u>
<u>Median Gross Billings</u>	<u>\$731,438</u>
<u>Number and Percentage of Franchisees Greater Than Average</u>	<u>2 or 50%</u>
<u>Number and Percentage of Franchisees Less Than Average</u>	<u>2 or 50%</u>
<u>Average Gross Margin</u>	<u>53.93%</u> (1 or 25% met or were > average; 3 or 75% were < average)

<u>Median Gross Margin</u>	<u>52.8%</u>
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Notes:

1. Gross Billings – This represents the Gross Billings for each franchised business in the sample for the period January 1, ~~2023~~2022 to December 31, ~~2023~~2022. The franchisee Gross Billings are those amounts reported by the franchisees to us. We have not audited the reports, nor have franchisees confirmed that their reports are prepared in accordance with generally accepted accounting principles.

The term “Gross Billings” means all amounts clients are obligated to pay in connection with the sale of products and services related to the Franchised Business (including all amounts invoiced to clients), regardless of collection, less any sales taxes or taxes collected by franchisee from clients for transmittal to the appropriate taxing authority and authorized discounts, plus business interruption insurance proceeds.

2. Gross Margin – This term, as used in the above charts, is calculated as Gross Billings, less Caregiver Pay expenses, divided by Gross Billings. In this calculation, Gross Billings does not include billed amounts for products sold to clients. “Caregiver Pay” expenses exclude the employer's portion of payroll taxes and workers’ compensation.

3. The “Minimum Required Staff” includes, specifically, one individual acting as a full-time Agency Director, one individual acting as a full-time Care Manager, and one individual acting as ~~the~~ a full-time Business’s Homecare Consultant. Franchisees who were not staffed according to this current staffing requirement were excluded from this chart and its related calculations.

4. During the ~~2023~~2022 calendar year, ~~no~~2 Franchised Businesses closed.

5. The data above does not reflect the costs of sales, costs of goods, operating expenses or other costs or expenses that must be deducted to obtain a net income or net profit figure. You should conduct an independent investigation of the costs and expenses you will or may incur in operating your franchised Caring Senior Service® business. Franchisees or former franchisees listed in this disclosure document may be one source of this information. Also, Franchises included in this Item 19 representation are located in territories ranging in size from smaller cities with roughly 20,000 resident seniors to metropolitan areas with resident senior populations near 100,000. The majority of Franchises disclosed in the above charts are offices that provide services under a single franchise agreement; however, several Franchises do provide services under two or more franchise agreements.

Hours Billed by Month

During the last five calendar years, seven franchisees opened and began operating a CARING SENIOR SERVICE Franchised Business. Each of these seven franchisees are still open and operating as of the issuance date of this disclosure document. The hours each of these seven franchisees billed during their first full 12 months in operation, as well as the hours they billed during their second 12 months in operation are included in the tables below. The numbers assigned to each franchisee are consistent for both tables.

**Hours Billed by Month During the First 12 Months in Operation
(By Franchises with Less than 5 Years in Operation)**

<u>Franchisee</u>	<u>Months 1 to 12</u>												<u>Total</u>
<u>1</u>	<u>94</u>	<u>299</u>	<u>555</u>	<u>1,098</u>	<u>1,753</u>	<u>1,968</u>	<u>1,807</u>	<u>2,793</u>	<u>3,531</u>	<u>3,283</u>	<u>2,675</u>	<u>2,308</u>	<u>22,164</u>
<u>2</u>	<u>14</u>	<u>127</u>	<u>102</u>	<u>14</u>	<u>510</u>	<u>842</u>	<u>770</u>	<u>943</u>	<u>1,115</u>	<u>2,344</u>	<u>2,230</u>	<u>2,528</u>	<u>11,539</u>
<u>3¹</u>	<u>0</u>	<u>268</u>	<u>1,016</u>	<u>894</u>	<u>828</u>	<u>1,428</u>	<u>1,673</u>	<u>1,057</u>	<u>1,439</u>	<u>1,414</u>	<u>522</u>	<u>786</u>	<u>11,325</u>
<u>4</u>	<u>662</u>	<u>804</u>	<u>1,004</u>	<u>842</u>	<u>472</u>	<u>619</u>	<u>583</u>	<u>927</u>	<u>1,373</u>	<u>1,400</u>	<u>1,007</u>	<u>800</u>	<u>10,493</u>
<u>5</u>	<u>50</u>	<u>41</u>	<u>572</u>	<u>150</u>	<u>416</u>	<u>778</u>	<u>1,343</u>	<u>1,360</u>	<u>986</u>	<u>1,041</u>	<u>2,097</u>	<u>1,368</u>	<u>10,202</u>
<u>6</u>	<u>3</u>	<u>54</u>	<u>112</u>	<u>133</u>	<u>157</u>	<u>402</u>	<u>570</u>	<u>469</u>	<u>409</u>	<u>403</u>	<u>969</u>	<u>1,054</u>	<u>4,735</u>
<u>7</u>	<u>5</u>	<u>86</u>	<u>72</u>	<u>96</u>	<u>128</u>	<u>205</u>	<u>112</u>	<u>124</u>	<u>137</u>	<u>160</u>	<u>147</u>	<u>398</u>	<u>1,670</u>
<u>AVG</u>	<u>118</u>	<u>240</u>	<u>490</u>	<u>461</u>	<u>609</u>	<u>892</u>	<u>980</u>	<u>1,096</u>	<u>1,284</u>	<u>1,435</u>	<u>1,378</u>	<u>1,320</u>	<u>10,304</u>
<u>MED</u>	<u>14</u>	<u>127</u>	<u>555</u>	<u>150</u>	<u>472</u>	<u>778</u>	<u>770</u>	<u>943</u>	<u>1,115</u>	<u>1,400</u>	<u>1,007</u>	<u>1,054</u>	<u>10,493</u>

**Hours Billed by Month During the Second 12 Months in Operation
(By Franchises with Less than 5 Years in Operation)**

<u>Franchisee</u>	<u>Months 13 to 24</u>												<u>Total</u>
<u>1</u>	<u>2,644</u>	<u>2,847</u>	<u>3,223</u>	<u>2,531</u>	<u>2,646</u>	<u>2,792</u>	<u>3,198</u>	<u>3,447</u>	<u>3,142</u>	<u>3,129</u>	<u>3,375</u>	<u>3,743</u>	<u>36,717</u>
<u>2</u>	<u>2,819</u>	<u>3,292</u>	<u>2,816</u>	<u>2,745</u>	<u>1,546</u>	<u>2,079</u>	<u>1,638</u>	<u>1,515</u>	<u>1,328</u>	<u>1,044</u>	<u>961</u>	<u>886</u>	<u>22,669</u>
<u>3²</u>	<u>1,227</u>	<u>1,510</u>	<u>958</u>	<u>946</u>	<u>1,477</u>	<u>2,045</u>	<u>1,719</u>	<u>1,391</u>	<u>1,605</u>	<u>1,730</u>	<u>1,254</u>	<u>1,162</u>	<u>17,024</u>
<u>4</u>	<u>892</u>	<u>857</u>	<u>790</u>	<u>793</u>	-	-	-	-	-	-	-	-	<u>3,332</u>
<u>5</u>	<u>1,171</u>	<u>1,588</u>	<u>1,367</u>	<u>1,647</u>	<u>1,267</u>	<u>1,618</u>	<u>1,321</u>	<u>1,906</u>	<u>1,908</u>	<u>2,183</u>	<u>2,380</u>	<u>2,240</u>	<u>20,596</u>
<u>6</u>	<u>1,556</u>	<u>1,701</u>	<u>1,830</u>	<u>2,043</u>	<u>1,641</u>	<u>2,045</u>	-	-	-	-	-	-	<u>10,816</u>
<u>7</u>	<u>515</u>	<u>531</u>	<u>368</u>	<u>227</u>	<u>502</u>	<u>320</u>	<u>307</u>	<u>399</u>	<u>384</u>	<u>423</u>	<u>318</u>	<u>467</u>	<u>4,761</u>
<u>AVG</u>	<u>1,546</u>	<u>1,761</u>	<u>1,622</u>	<u>1,562</u>	<u>1,513</u>	<u>1,817</u>	<u>1,637</u>	<u>1,732</u>	<u>1,673</u>	<u>1,702</u>	<u>1,658</u>	<u>1,700</u>	<u>20,353</u>
<u>MED</u>	<u>1,227</u>	<u>1,588</u>	<u>1,367</u>	<u>1,647</u>	<u>1,512</u>	<u>2,045</u>	<u>1,638</u>	<u>1,515</u>	<u>1,605</u>	<u>1,730</u>	<u>1,254</u>	<u>1,162</u>	<u>20,596</u>

Note 1. Franchisee Number 3 has two Territories, whereas the remaining Franchisees included in the above tables each have only one Territory.

Note 2. The hours billed were obtained from our proprietary business management software, Tendio.

Note 3. The following table lists the states in which each Franchisee's Territory is located and their related first full month in operation.

<u>Franchisee Number</u>	<u>Territory State</u>	<u>First Full Month in Operation</u>
<u>1</u>	<u>Texas</u>	<u>August 2021</u>
<u>2</u>	<u>New Jersey</u>	<u>February 2019</u>
<u>3</u>	<u>Georgia</u>	<u>October 2021</u>
<u>4</u>	<u>Florida</u>	<u>December 2022</u>
<u>5</u>	<u>Texas</u>	<u>October 2021</u>
<u>6</u>	<u>Texas</u>	<u>October 2022</u>
<u>7</u>	<u>Texas</u>	<u>April 2021</u>

Some franchises have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.

The data in this financial performance representation is obtained from reports from franchisee computer systems and is not independently verified or audited.

Written substantiation of the data used in preparation of this report will be made available to you upon reasonable request.

Except for the information presented above, 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 [Jeff Bevis](#) [Ian Klaes](#), 201 East Park Avenue, #201, San Antonio, Texas 78212, (210) [757-4636226-6393 x1002](#) or (866) 528-7905, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years ~~2020~~2021 to ~~2023~~2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2020	4644	4448	-2+4
	2021+2022	4448	4850	+42
	2022+2023	4850	51	+31
Company-Owned	2021 2020	5	5	0
	2021+2022	5	5	0
	2022+2023	5	5	0
Total Outlets	2021 2020	5149	4953	-2+4
	2021+2022	4953	5355	+42
	2022+2023	5355	56	+31

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2020~~2021 to ~~2023~~2022**

State	Year	Number of Transfers
Arizona	2021	0
	2022	0
	2023	2
Colorado	2021	0
	2022	0
	2023	1
Georgia	2021	0

State	Year	Number of Transfers
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>2</u>
Nebraska	2021 <u>2020</u>	0
	<u>2022</u>	<u>1</u>
	<u>2023</u>	<u>0</u>
<u>Ohio</u>	2021	0
	2022	10
	<u>2023</u>	<u>1</u>
Tennessee	2021 <u>2020</u>	0
	2021	0
	2022	1
	<u>2023</u>	<u>0</u>
Texas	2021 <u>2020</u>	0
	<u>2022</u>	<u>2</u>
	<u>2023</u>	<u>0</u>
<u>Utah</u>	2021	0
	2022	20
	<u>2023</u>	<u>1</u>
Total <u>Wisconsin</u>	2021 <u>2020</u>	0
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
<u>Total</u>	2021	0
	2022	4
	<u>2023</u>	<u>8</u>

**Table No. 3
Status of Franchised Outlets
For Years ~~2020~~2021 to ~~2023~~2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2021 <u>2020</u>	4	0	0	0	0	0 <u>1</u>	4 <u>3</u>
	2021 <u>2022</u>	4 <u>3</u>	0	0	0	0	10	3
	2022 <u>2023</u>	3	0	0	0	0	0	3
California	2021 <u>2020</u>	2	0	0	0	0	0	2
	2021 <u>2022</u>	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2022 2023	2	1	0 1	0	0	0	3 2
Colorado	2021 2020	5	0	0	0	0	0 2	5 3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Florida	2021	5 0	0	0	0	0	2 0	3 0
	2022	3 0	0	0	0	0	0	3 0
Georgia	2020 2023	1 0	0 1	0	0	0	0	1
Georgia	2021	1	1	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Illinois	2020 2021	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kansas	2020 2023	1	0	0	0	0	0	1
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2020 2021	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2020 2021	2	0	0	0	0	0	2
	2022 2021	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2
New Jersey	2020 2021	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	1	0	0	3
New York	2020 2021	1 0	0	0	0	0	1 0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
North Carolina	2020 2021	2	0	0	0	0	0	2
	2022 2021	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Ohio	2020 2021	<u>32</u>	0	0	0	<u>10</u>	0	2
	2021	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Pennsylvania	2020 2021	2	0	0	0	0	0	2
	2021	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Tennessee	2020 2021	2	0	0	0	0	0	2
	2021	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
Texas	2020 2023	<u>112</u>	0	0	0	0	0	<u>112</u>
<u>Texas</u>	2021	11	7	0	0	0	1	17
	2022	17	1	0	0	0	0	18
Utah	2020 2023	<u>18</u>	0	0	0	0	0	<u>18</u>
<u>Utah</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Virginia	2020 2021	2	<u>10</u>	0	0	0	<u>10</u>	2
	2021	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
West Virginia	2020 2021	0	0	0	0	0	0	0
	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Wisconsin	2020 2021	1	0	0	0	0	0	1
	2021	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022	1	0	0	0	0	0	1
Total	2020 2023	<u>461</u>	<u>10</u>	0	0	<u>10</u>	<u>20</u>	<u>441</u>
<u>Total</u>	2021	44	8	0	0	0	4	48
	2022	48	<u>32</u>	0	0	0	0	<u>51</u> 50
	<u>2023</u>	<u>50</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>51</u>

Table No. 4
Status of Company-Owned Outlets
For Years ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Tennessee	2020 2021	0	0	0	0	0	0
	2022 2021	0	<u>0</u> 1	0	0	<u>0</u> 1	0
	2022 2023	0	<u>0</u> 1	0	0	<u>0</u> 1	0
Texas	2020 2021	5	0	0	0	0	5
	2022 2021	5	0	0	0	0	5
	2022 2023	5	0	0	0	0	5
Total	2020 2021	5	0	0	0	0	5
	2022 2021	5	<u>0</u> 1	0	0	<u>0</u> 1	5
	2022 2023	5	<u>0</u> 1	0	0	<u>0</u> 1	5

Table No. 5
Projected Openings
As of December 31, ~~2022~~2023

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	<u>1</u>	0
Colorado	0	4	0
Delaware	<u>1</u>	<u>1</u>	0
Florida	<u>1</u>	<u>3</u>	0
Georgia	0	1	0
Michigan	<u>0</u> 1	<u>0</u> 1	0
New Jersey/Nevada	<u>0</u> 3	<u>0</u> 1	0
Ohio	<u>0</u> 1	1	0
Texas	0	<u>2</u> 1	0
Virginia	0	<u>1</u> 2	0
Total	<u>2</u> 5	<u>16</u> 5	0

A list of the names of current franchisees, and the addresses and telephone numbers of their businesses, are included in Exhibit C to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed

fiscal year ending December 31, ~~2022~~2023 or those who have not communicated with us within 10 weeks of the issuance date of this disclosure document are listed in Exhibit D to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Caring Senior Service® System.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit F, are ~~our~~the following financial statements:

1. Our unaudited balance sheet as of March 31, 2024 and our profit and loss statement for the period beginning January 1, 2024 through March 31, 2024; and
2. Our audited balance sheets as of December 31, 2023, 2022, and 2021, ~~and 2020~~, and the related statements of operations, change in partners' capital, and cash flows for the years then-ended.

Our fiscal year end is December 31.

ITEM 22 CONTRACTS

The Franchise Agreement and its Exhibits are attached to this Disclosure Document as Exhibit B.

The Form of General Release is attached to this Disclosure Document as Exhibit G.

The Form of Software License and Maintenance Agreement as Exhibit H.

The Enkiscribe License and Service Agreement as Exhibit H.

ITEM 23 RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

STATE ADDENDA TO DISCLOSURE DOCUMENT

We are required to provide you the following information about certain state laws, and how they may affect your franchise contracts.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT **AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.**

The California Corporations Code, Section 31125, requires that we give you a disclosure document, approved by the Department of Financial Protection and Innovation, along with a copy of all proposed agreements relating to the sale of the franchise be delivered to you prior to solicitation of a proposed material modification of your Franchise Agreement.

The following is added to Item 1 of the Franchise Disclosure Document:

Pursuant to the Home Care Services Consumer Protection Act of 2013 (the “Act”), you must conform to the Licensure and Certificate requirements of the Home Care Services Bureau (“HCSB”) effective January 1, 2016. The Act will apply to California agencies that provide home care services to consumers. Home care services as related to this Act include nonmedical services and assistance provided by a registered home care aide to a client who, perhaps because of advanced age or physical or mental disability, cannot perform these services. These services enable the client to remain in his or her residence and include, but are not limited to, assistance with the following: bathing, dressing, shopping, eating, exercising, and personal hygiene and grooming.

For further information about the Home Care Services Consumer Protection Act, please visit the following website: <http://www.cd.ca.gov/PG3654.htm>.

The following is added to Item 3 of the Franchise Disclosure Document:

Neither the franchisor nor any person, or franchise broker identified in Item 2 of the Franchise Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

The following is added to Item 5 of the Franchise Disclosure Document:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

The following is added to Item 17 of the Franchise Disclosure Document:

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

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California

Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

The Franchise Agreement contains a covenant not to compete that extends beyond expiration or termination of the Agreement. This provision may not be enforceable under California law.

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

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

The Franchise Agreement requires binding arbitration. The arbitration will occur at San Antonio, Texas. The party who demands arbitration shall pay the arbitration filing fee, but the parties will otherwise separately bear their own costs and expenses. This provision may not be enforceable under California law.

Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq.*.)

The following is added to Item 19 of the Franchise Disclosure Document:

You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

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.

—OUR WEBSITES CAN BE FOUND AT www.caringseniorservice.com and www.caringfranchise.com. OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT <https://www.dfpi.ca.gov>.

ILLINOIS

Based on our current financial condition, the Illinois Attorney General's Office has imposed a financial assurance requirement that requires us to defer the collection of any initial franchise fees due to us prior to the opening of the Franchised Business. Therefore the following is added to Item 5 of the Franchise Disclosure Document:

We will defer payment of the initial franchise fees owed by you to us until the first day you open the Franchised Business. If we enter into an Development Addendum with you we will defer payment of the Development Fee until the first day you open your first Franchised Business.

Item 17 of the Disclosure Document is supplemented by the following:

Illinois law governs the Franchise Agreement(s).

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

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

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

The Home Health, Home Services, and Home Nursing Agency Code is set for in the Illinois Administrative Code at: 77 Ill. Adm. Code 245 (2015)

See: <http://www.dph.illinois.gov/topics-services/health-care-regulation/facilities/home-health> for info on Home Health state certification and licensure requirements, costs and process.

See: <http://www.dph.illinois.gov/topics-services2fhealth-care-regulation2fhealth-care-regulation2ffacilities2fhospice%23laws-rules-laws-rules-hospice> for Hospice info, regulations and process.

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.

MINNESOTA

Item 5 is supplemented by the following:

The State of Minnesota has imposed a financial condition under which the initial fee due under your Franchise Agreement and the Development Fee due under your Development Addendum, if applicable, will be deferred until the first franchise location is open for business.

Item 7 is supplemented by the following:

The State of Minnesota has imposed a financial condition under which the initial fee due under your Franchise Agreement and the Development Fee due under your Development Addendum, if applicable, will be deferred until the first franchise location is open for business.

Item 13 is supplemented by the following:

We will protect your right to use the trademarks, service marks, trade names, logos, or other commercial symbols or will indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the marks to the extent required by Minnesota law.

Item 17 is supplemented by the following:

Under Minnesota law, and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of our intention not to renew a franchise and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Franchise Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation, or provision contained in the Franchise Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise

to be operated in Minnesota to waive compliance with the Minnesota Franchises Law, such condition, stipulation, or provision may be void and unenforceable under the non-waiver provision of the Minnesota Franchises Law.

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

VIRGINIA

The following is added to the Disclosure Document for Virginia residents:

Item 5 is supplemented by the following:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Item 17.h., Additional Disclosures

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to these Additional Disclosures.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

California

California Commissioner of the Department of
Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Michigan

Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913

Minnesota

Department of Commerce
85 7th Place East, Suite 280
Saint Paul, Minnesota 55101

Texas

[Jeffrey A. Salter](#)
[201 E. Park Avenue](#)
[San Antonio Vcorp Services, LLC](#)
[1999 Bryan Street, Suite 900](#)
[Dallas, Texas 7824275201-3136](#)

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

Wisconsin

Commissioner of Securities
Fourth Floor
345 West Washington Avenue
Madison, Wisconsin 53703

LIST OF STATE ADMINISTRATORS

California

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

Hawaii

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section, Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

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

Michigan

Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota

Department of Commerce
85 7th Place East, Suite 280
Saint Paul, Minnesota 55101
(651) 539-1600

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota

Office of Securities Commissioner
600 East Blvd. Ave., Fifth Floor Dept. 414
Bismarck, North Dakota 58505
(701) 328-4712

Oregon

Division of Consumer and
Business Services
Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310
(503) 378-4387

Rhode Island

Division of Securities
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920
(401) 222-3048

South Dakota

Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia

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

Washington

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Division of Securities
Department of Financial Institutions
345 W. Washington, 4th Floor
Madison, Wisconsin 53703
(608) 266-8559

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.

FRANCHISE AGREEMENT

FRANCHISEE

DATE

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- D – Transfer of Franchise to a Corporation or Limited Liability Company
- E – Confidentiality and Non-Competition Agreement
- F – Continuing Guaranty
- G – State Specific Addenda
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- K – Conversion Addendum
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CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into on _____, 20__ , between CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P., a Texas limited partnership, having its principal place of business located at 201 East Park Avenue, #201, San Antonio, Texas 78212 (hereinafter referred to as “we”, “us” or “our”) and _____, with its principal place of business or residence at _____ (hereinafter referred to as “you” or “your”).

WHEREAS, we have developed, equipped, organized, managed and operated a business and business system (the “System”) relating to the establishment and operation of businesses that provide non-medical assistance to the elderly and to disabled or infirm adults at their homes and the retail sale of related products (the “Approved Services and Products”);

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, we identify the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Caring Senior Service” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks” or “Proprietary Marks”);

WHEREAS, we continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service;

WHEREAS, you wish to obtain the right and license from us for the use of our System and Proprietary Marks, and in association therewith to own and operate a Caring Senior Service Business (the “Business” or “Franchised Business”) only at the premises identified on Exhibit A hereto (hereinafter referred to as the “Premises”), and you understand and accept the terms, conditions and covenants set forth herein as those which are reasonably necessary to maintain our high and uniform standards of quality and service in order to protect the goodwill and enhance the public image of the System and the Proprietary Marks;

WHEREAS, we have the sole and exclusive right to the goodwill associated with the System and the Proprietary Marks and are willing to grant the right and license to you on the terms and conditions herein contained to use the System and the Proprietary Marks;

WHEREAS, you desire to obtain a franchise to use the System and the Proprietary Marks at the Premises pursuant to the provisions hereof, and you have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of your own choosing and represent and warrant that you have the business experience and financial ability to operate a Business;

WHEREAS, you acknowledge that you have read this Agreement and our Disclosure Document and you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain uniform high standards of quality at all Businesses and to protect the goodwill of the Proprietary Marks;

WHEREAS, we expressly disclaim the making of any warranty or guarantee, expressed or implied, oral or written, regarding the potential revenues, profits or success of the business venture contemplated by

this Agreement. You acknowledge that you have not received or relied upon any such warranty or guarantee;

WHEREAS, you acknowledge that you have no knowledge of any representations by us, our officers, directors, shareholders or representatives about the franchise offered hereunder, about us or our franchising programs and policies that are contrary to the statements in our Disclosure Document or to the terms of this Agreement; and

WHEREAS, you acknowledge that this Agreement places detailed and substantial obligations on you, including strict adherence to our reasonable present and future requirements regarding facilities, equipment, suppliers, operating procedures, management methods, merchandising strategies, sales promotion programs and related matters. You acknowledge that future improvements, changes and developments in the System may require additional expense to be undertaken by you.

BEFORE SIGNING THIS AGREEMENT, YOU SHOULD READ IT CAREFULLY WITH ASSISTANCE OF LEGAL COUNSEL.

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

ARTICLE 1

GRANT OF FRANCHISE

1.1 Grant

Subject to the terms, conditions and limitations elsewhere in this Agreement, we hereby grant to you a right and license to use the System, the Proprietary Marks and to market, sell and provide the Approved Services and Products in accordance with the System within your Territory. The Approved Services and Products are the only services and products authorized to be offered and sold at or through the Business. The right and license granted in Section 1.1 hereof shall be restricted solely and exclusively to use of the System and Proprietary Marks in and from the Protected Territory (as defined below), however, except for Services provided to existing clients of other franchisees relocated to within your Territory on a temporary basis and as otherwise expressly stated in this Agreement, we will not operate a CARING SENIOR SERVICE Business, or grant anyone else the right to operate a CARING SENIOR SERVICE Business, that provides Approved Services and Products within your Territory while this Agreement is in effect.

1.2 Location

During the term of this Agreement, the Business Premises shall be used exclusively by you and solely for the purpose permitted by this Agreement. In the event that, prior to the termination of the franchise hereunder and provided you have leased space for the Business, the lease or sublease should expire or terminate without your fault, or if the landlord closes the location where the Business is located, or if the Premises should be expropriated or you otherwise lose possession thereof without fault on your part, you shall be entitled to relocate the Business to another location acceptable to us, provided that:

- (a) we have first given our written consent to such relocation and new site;
- (b) the new premises shall be developed by you in the same manner as described in Article 3 hereof solely at your costs, if you will lease premises for the Business; and
- (c) the new premises shall be located within your Protected Territory.

1.3 Non-Exclusivity

Except as set forth above, the license granted to you by this Agreement is non-exclusive and we shall have, at all times throughout the term of this Agreement and any renewals hereof, and at all places, the unqualified right to open and operate, or to franchise and license others to open and operate, businesses

utilizing the System anywhere, except within your Protected Territory, unless such exclusivity is revoked pursuant to this Agreement, regardless of the proximity to your Business.

1.4 Limitations on Sale of Approved Services

This license does not include any right to sell any product for resale or the right to sell any product or provide any service at or from any location except from the Premises. Use by you, directly or indirectly, of the System, the Proprietary Marks licensed hereunder, the sale of any product or the servicing of Business clients at any location other than from the Premises or at your clients' homes or places of residence shall be a material breach of this Agreement and shall give us, in addition to all other rights and remedies hereunder, the right to terminate this Agreement.

1.5 Rights Reserved to Us; Territorial Restrictions

We reserve the right to establish or operate, or franchise any other franchisee to establish or operate, a Business under the System at any location outside of the Protected Territory. We (and any affiliates that we periodically might have) have the right:

(a) to establish and operate, and grant rights to other franchisees to establish and operate, Caring Senior Service Businesses or similar businesses at any locations outside of the Protected Territory and on any terms and conditions we deem appropriate;

(b) to sell services and products identical or similar to, or dissimilar from, those your Franchised Business sells, whether identified by the Proprietary Marks or other trademarks or service marks through alternative distribution channels, wherever located or operating. The term "alternative distribution channels" includes the Internet, catalog sales, telemarketing or other direct marketing sales;

(c) to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to your Business, some or all of which might be located anywhere, including within the Protected Territory;

(d) to be acquired; and

(e) to engage in any other business activities not expressly prohibited by this Agreement, both within and outside the Protected Territory.

You may not relocate the Business from the approved site, except as provided above. Pursuant to this Agreement, you may sell the Approved Services to clients and prospective clients located anywhere but who choose to use your Business. You shall be prohibited from engaging in any promotional activities or selling any products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to clients or prospective clients located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients located anywhere, without our consent. While you may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located within the Protected Territory, you will not be deemed to be in violation of this Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients outside of the Protected Territory.

You may not make any sales or provide services to clients located outside of your Protected Territory, unless the client is located in an area where there is not another Caring Senior Service[®] Business in operation or you have the other franchisee's permission to provide services to clients in its territory and you have provided us a copy of such permission in writing prior to providing services to such franchisee's clients. If that area is subsequently sold to a new franchisee in the System, we may require that you cease servicing the clients in that area and that you transfer all client information to the new franchisee. We may, however, in our sole discretion, allow you to continue to provide services to some or all of your established clients in the area sold to the new franchisee. At any time during the term of this Agreement, may request

from you, and you must provide us with, a list of these clients including the information we specify. Any noncompliance with the terms of this paragraph is a material breach under this Agreement.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive requests for the Services or any other products or services offered by a Caring Senior Service Business calling for delivery or performance in your Protected Territory, then we will offer the request to you. If you choose not to fulfill the request or are unable to do so, then we, one of our affiliates or a third party designated by us (including another franchisee) may fulfill the order, and you will not be entitled to any compensation in connection with this.

ARTICLE 2

TERM

2.1 Initial Term

This Agreement, unless terminated earlier as hereinafter provided, shall remain in force for an initial term of five (5) years commencing on the date this Agreement is executed (“Initial Term”).

2.2 Renewal Requirements

Subject to the provisions of this Section 2.2, you shall have an option (exercisable only by written notice delivered to us less than nine (9) months, but more than six (6) months, prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder for three renewal terms of five (5) years each, if:

(a) you have been, throughout the Initial Term of this Agreement, in substantial compliance, and at the expiration of such initial term are in full compliance, with this Agreement, your lease or sublease (if any) and all other agreements between you and us or companies associated or affiliated with us;

(b) you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Business franchises (all of which will contain terms substantially the same as those herein contained, except with respect to fees to be paid to us, which fees shall be the same as those Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee);

(c) you are compliant with all GreatCare[®] certification requirements for your staff and caregivers;

(d) as a condition of the renewal of this franchise in the event that you have leased space for the Franchised Business, you must have renewed, or have secured a written commitment from your landlord that you can renew, the lease or sublease for the Business space or have secured by lease, sublease or other occupancy document a new Business location acceptable to us within the Protected Territory;

(e) if you are relocating your Business in connection with the renewal of this franchise, the site, lease, design, construction, decoration, equipping, stocking, and every other aspect of your relocated Business must be accomplished in accordance with the requirements of the new Franchise Agreement. The costs, expenses and liabilities that you will be required to pay will be as set forth in the new Franchise Agreement;

(f) you agree that as a condition of approving the renewal of the franchise, we can require you to remodel, redecorate, re-sign, re-fixtue and/or otherwise refurbish your Business to the extent and in the manner that we specify to bring it up to the standards of those Businesses opened closest in time to the commencement of the renewal period. We agree to notify you of any such requirements and the time within which they are to be accomplished at the time we provide you with a copy of the Franchise

Agreement to be used for the renewal term. By signing the new Franchise Agreement, you agree to comply with our requirements regarding the specified remodeling, redecorating, re-signing, refurbishing and so forth, within the time periods specified by us;

(g) at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months;

(h) you execute a general release running in favor of us, our officers, directors and shareholders releasing all claims against us, our officers, directors and shareholders; and

(i) you pay to us a renewal fee equal to \$5,000.

2.3 Renewal Franchise Agreement

The form of Franchise Agreement that will be used for your renewal term will be given to you at least ninety (90) days before the renewal term is to begin so that you can review it. You agree to sign the new Franchise Agreement at least sixty (60) days before your current franchise term expires. If you do not, you will be deemed to have withdrawn your request to renew the franchise. If that should happen, we will allow your franchise to expire at the end of its current term.

2.4 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if:

(a) your lease, sublease or other document by which you have the right to occupy the Premises is not extended before your renewal term is to take effect or if you do not have a written commitment from your landlord to renew your lease or sublease;

(b) you have failed to remedy any breach of this Agreement specified by us in a written notice to you;

(c) you have committed and received notice of two (2) or more breaches of this Agreement in the twenty-four (24) months prior to the end of the Initial Term, even if such breaches were timely remedied;

(d) you have not given us a written notice of intent to renew within the time period required in Section 2.2; or

(e) you are not current in payment obligations to us or our affiliates, or to your trade creditors.

2.5 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

2.6 Failure to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents required by us for a renewal, together with payment of our renewal fee, within thirty (30) days after we have delivered them to you.

ARTICLE 3
BUSINESS PREMISES

3.1 Lease

As used in this Agreement, the word “lease” also means any sublease or other agreement or document by which you are allowed to occupy your Business location, including a deed by which you own it.

3.2 Location for Business

We have no responsibility for finding a location for you. It is your responsibility to find a location for your Caring Senior Service Business from within your Territory. We will consult with you regarding what general criteria must be met by your Business location so that you will know what type of location to look for. However, before you can sign a lease for the location, we must approve the location and the lease, as discussed below.

You shall, within thirty (30) days after execution of this Agreement, and at least thirty (30) days prior to your initial training, provide us with information we require concerning the location you propose to use for the Franchised Business. The information we require may include, but is not limited to, a description of the location, photographs, location on a map, and any other data that we believe is necessary in order to evaluate the proposed site. We may also require you to include a letter of intent, proposed lease or other document that shows you have favorable prospects for obtaining the site if approved by us. We shall have ten (10) days after receiving all of the information required to notify you whether such site is approved. If we do not provide our specific approval of the proposed location, it is deemed not approved. If we and you are unable to agree on a suitable site for the Franchised Business, we have the right to terminate this Agreement.

You must execute, and have your landlord execute, our form of Collateral Assignment of Lease, which is attached to this Agreement as Exhibit I.

3.3 We Do Not Guarantee

You acknowledge that by approving a location, we do not guarantee in any way that the site or any lease terms are adequate for your needs or purposes. Such approvals and assistance are solely for our own purposes and are not a guarantee that you will succeed in the Business location or under the terms of any lease that we approve. Our approval only means that the location meets our minimum criteria for a Business.

3.4 Business Opening

Your Business shall be open for business not later than seventy-five (75) days from the Effective Date of this Agreement. Failure to do so shall be grounds for termination of this Agreement. In the event this Agreement is terminated, we shall have all of the rights and you shall have all of the duties described in this Agreement.

ARTICLE 4
DEVELOPMENT OF THE BUSINESS

4.1 Outfitting of Business

You agree to purchase and use all of the signs, equipment, furnishings, fixtures, and other items required by us for your Business from suppliers or vendors approved by us. In addition, you agree to purchase all other items we specify for your Business only from approved suppliers or vendors.

4.2 Development of Business

We shall be available to consult with you regarding the equipment and signage for your Business. It shall be your sole responsibility, however, to ensure that the Business is equipped, stocked and opened without delay and in accordance with the Confidential Operations Manual and our directives.

4.3 Signs

We must provide our prior approval, in writing, of all signs that you propose to use at any time on, in or in connection with the Business. All signage is also subject to the terms of your lease and applicable laws or ordinances.

4.4 Modifications to Business

We reserve the right to change the design of “Caring Senior Service” Businesses, their format, color, trade dress, signage, commercial symbols, décor, products, services and all other aspects of “Caring Senior Service” Businesses and their operations at any time in our reasonable business judgment in order to meet competition, to attempt to enhance the business of “Caring Senior Service” Businesses, or to improve their appearance. If we make any of these changes, you agree to comply with such changes in the manner and within the time frames specified by us. We agree and affirm that none of these changes will require you to perform any major remodeling or redecoration of the Business more often than once every five (5) years. All changes made to your Business shall be at your sole cost and expense.

ARTICLE 5

FEES AND REPORTING

5.1 Initial Franchise Fee

In consideration of the grant of this franchise, you shall pay to us a non-recurring initial franchise fee for the franchise hereunder in an amount equal to Forty-Five Thousand Dollars (\$45,000), unless this amount is otherwise amended in Exhibit A of this Agreement. The initial franchise fee shall be deemed to have been fully earned by us upon execution of this Agreement and is not refundable.

5.2 Royalty Fee

You agree to pay us a non-refundable royalty (“Royalty Fee”) equal to five percent (5%) of your Gross Billings or the Minimum Royalty Fee, whichever amount is higher, payable every two (2) weeks as described in subparagraph (c) below.

(a) As used herein, the term “Minimum Royalty Fee” equals \$150 for each two-week period in which Gross Billings are calculated during your first six months of operation and, afterwards, 5% of the applicable Gross Billings Target for each two-week period in which Gross Billings are calculated and as set forth in Section 9.3.

(b) As used herein, the term “Gross Billings” means all amounts clients are obligated to pay in connection with the sale of products and services related to the Franchised Business (including all amounts invoiced to clients), regardless of collection, less any sales taxes or taxes collected by you from your clients for transmittal to the appropriate taxing authority and authorized discounts, plus business interruption insurance proceeds.

(c) We will collect the Royalty Fee, and any other amounts due to us or our affiliate under this Agreement, by deducting such amounts from your operating account via electronic funds transfer on the second Friday following completion of the previous two (2) week period for which Gross Billings and Royalty Fees are calculated. In the event the Royalty due date is not a business day, we will debit your account on the next business day. You shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Agreement. You shall execute our current form of “Authorization Agreement for Prearranged Payments (Direct Debits),” a copy of which is attached to this Agreement as

Exhibit H, or any other forms required by us, our bank and/or your bank, and you shall comply with the payment and reporting procedures specified by us in the Confidential Operations Manual. You expressly acknowledge and agree that your obligations for the full and timely payment of Royalty Fees and Marketing Fees (and all other amounts provided for in this Agreement) shall be absolute, unconditional, and fully earned. You shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against us or others. You shall not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, including without limitation Royalty Fees or Marketing Fees, nor withhold or delay submission of any reports due hereunder.

(d) You agree that sufficient funds will be made available in your account for withdrawal.

(e) If we are unable to access your Gross Billings, or if we permit you to report your Gross Billings and you do not submit such report, for your Caring Senior Service Business, we may debit your account for one hundred twenty percent (120%) of the Royalty Fee and Marketing Fees that we most recently debited. If the Royalty Fee and Marketing Fee we debit are less than the Royalty Fee and Marketing Fee you actually owe us, once we have been able to determine your true and correct Gross Billings, we will debit your account for the balance on a day we specify. If the Royalty Fee and Marketing Fee we debit are greater than the Royalty Fee and Marketing Fee you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following period.

5.3 Marketing Fee

You must pay to us a marketing fee ("**Marketing Fee**") equal to 2% of Gross Billings. In consideration for the Marketing Fee, we will provide such advertising, marketing, and promotional services as we deem appropriate. Marketing Fees are payable at the same time and in the same manner as the Royalty Fee described above.

5.4 Technology Fee

You shall pay to us a non-refundable monthly Technology Fee, currently equal to Seven Hundred Dollars (\$700) but which we reserve the right to increase on written notice to you ("Technology Fee"). The Technology Fee is payable to us on the second Friday following completion of the two (2) week period in which Gross Billings and Royalty Fees are calculated that includes the 1st day of the month by electronic funds transfer, or such other method we designate. If the scheduled software lease payment due date is not a business day, then payment shall be due on the next business day. This Technology Fee is exchange for a continuing license to use the required software in connection with your Business, and also to be used in connection with certain software and technology related costs as determined by us in our discretion. Technology Fee amounts may be used, for example, for intranet development, support, maintenance, and related costs; software or application development, customization, and implementation; online, internet, or digital related support; hardware and/or software support; and other such technologically-related activities as we may determine from time to time.

5.5 Interest on Late Payments

To encourage prompt and timely payment of Royalty Fees, Marketing Fees and other fees payable hereunder, and to cover the costs and expenses involved in handling and processing any payments not received by their due dates, you shall also pay, upon demand, for each day that required payments are late, interest in an amount equal to the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the highest rate permitted by law. Such charges shall accrue from the date payment was due until the date payment is actually received by us. Notwithstanding the foregoing, each failure to pay Royalty Fees, Marketing Fees, or other payments payable to us when due will be a material breach of this Agreement and shall give us, in addition to all other rights and remedies hereunder, the right to terminate this Agreement.

5.6 Application of Payments

We shall have sole discretion to apply any payments received from you to any past due indebtedness of yours for Royalty Fees, Marketing Fees, purchases made from us or our affiliates, late payment charges or any other indebtedness of yours to us or our affiliates.

5.7 Bookkeeping, Accounting and Records

You shall use a bookkeeping, accounting, inventory control, computer and record-keeping system for the business of the Business that is specified or approved by us, and you shall retain all invoices, order forms, time cards, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursements journals and general ledgers. You shall keep such original documents at the Business throughout the term of this Agreement, and for at least five (5) years thereafter, at a location of which we shall be kept advised, unless we give written permission to dispose of such records.

5.8 Reports and Tax Returns

You shall furnish to us throughout the term of this Agreement in the form from time to time prescribed by us:

- (a) within twenty (20) days after the close of each month you must submit profit and loss statements in the form we require;
- (b) within thirty (30) days after the documents referred to in Section 5.9 hereof are filed, an exact copy of all returns, schedules and reports filed by you for income, corporate or sales tax purposes;
- (c) within sixty (60) days after the end of each fiscal year, an unaudited balance sheet, statement of profit and loss and source and application of funds from the beginning of that fiscal year, prepared by an independent certified public accountant and verified by your statutory declaration as to the information furnished to such accountant; and
- (d) such other reports, statements, sales slips, order forms, records, calculations and indices as we may, from time to time, require.

Notwithstanding the above, we shall have independent and continuous access to all data generated or relating to your Business. You acknowledge that all such data is stored on our servers and, as such, will remain our property at all times.

5.9 Audited Statements

If we, in our sole discretion, determine that any report, financial statement, tax return or schedule furnished by you understates the income of the business, distorts any other information or is incomplete, unclear or misleading, we shall have the right to require you to furnish audited annual financial statements for that year at your sole cost and expense, with such statements being prepared in accordance with generally accepted accounting principles consistently applied.

5.10 Audit

We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to inspect, copy, request, receive and/or audit or cause to be inspected, copied, requested, received and/or audited the business records, bookkeeping and accounting records, sales, reports, financial statements and tax returns that you are required to submit to us hereunder along with your books and records and those of any corporate entity to which you have assigned this Agreement in accordance with Section 16.3 hereof. If we should determine that an audit is necessary during the term of the franchise, you will, upon notice, deliver to us or our representative all required records and documents and fully cooperate with our representatives conducting any such audit. In the event that any such audit should disclose an understatement for any applicable period, you shall pay, within fifteen (15) days after

receipt of the audit report, the understated amount (including, without limitation, Royalty Fees, Marketing Fees and/or any other understated fees evidenced by such audit) together with interest pursuant to Section 5.5 hereof due upon the amount of such understatement. Further, in the event such audit is made necessary by your failure to furnish reports, financial statements, tax returns or schedules as herein required, or if an understatement for any period is determined by any such audit to be two percent (2%) or more, you shall reimburse us for the cost of such audit, including, without limitation, the charges of any independent accountants, legal fees, and travel expenses, room, board and compensation of their employees or representatives, and shall remit to us any understated amount together with interest thereon. The foregoing remedies are in addition to all other rights and remedies we may have under this Agreement or under applicable law, including but not limited to termination of this Agreement.

5.11 Information from Others

You hereby authorize us to make reasonable inquiries of your bank, credit reporting agencies, suppliers and trade creditors concerning the business of the Business and hereby direct such persons and companies to provide to us such information as we may request.

5.12 Inspection; GreatCare® Audits

We or our representatives or agents shall have the right at any time during normal business hours, and without prior notice to you, to enter and inspect the Premises and all aspects of the operation of the Business together with all records, client files, books of account, tax returns and other documents and materials in your possession or under your control relating to the business of the Business, you and the subject matter and terms of this Agreement, including, without limitation, all records of yours required to be maintained pursuant to applicable law, to ascertain that you are operating the Business in accordance with the System, the terms of this Agreement and the Confidential Operations Manual. We or our representatives or agents shall be allowed to make extracts from or copies of any such material. In the event that we give notice to you of any deficiency detected during such inspection, you shall diligently correct such deficiency as soon as possible, but in any event within five (5) days after receipt of such notice. If you fail to correct such deficiency within such five (5) day period, we shall have the right (but not the obligation) to correct such deficiency on your behalf of and at your sole expense, and in such case you shall reimburse us for all costs incurred by us (including, without limitation, a reasonable charge for the time of our personnel) in connection therewith.

In addition to such periodic inspections as described above, you must cooperate with us and our designees with respect to GreatCare® Audits. The GreatCare® Audit system has been implemented in order to promote maximum efficiency and superior client care, and to ensure compliance with our Standards and specifications, as amended from time to time. The method, timing, and scope of a GreatCare® Audit will be specified in our Confidential Operations Manual, however, you are required to cooperate with the personnel conducting these audits, including us or our designees, to the greatest extent required for any inspection under this Section 5.12. We may, at our discretion, impose a GreatCare® Audit fee to be paid upon demand. Upon completion of your GreatCare® Audit, your auditor will submit to us, for our review and approval, a completed audit form with a list of suggested corrections. You will have thirty (30) days to implement the corrections and to provide proof of such correction in the form we require. If the correction, at our discretion, requires re-inspection, or you fail to cooperate with the implementation of the correction, we may require that you pay a re-inspection fee not to exceed the initial GreatCare® Audit fee and reimburse us or our designee for travel-related expenses in connection with such re-inspection (including transportation, room, and board costs).

5.13 Administrative Fee

If you do not complete your client billing in accordance with, or by the deadlines set in, the System or as stated in the Confidential Operations Manual, we may charge you an administrative fee equal to \$200 per billing period, which is currently set as a two-week period but may be modified by us from time to time.

ARTICLE 6

ADVERTISING AND PROMOTION

6.1 Marketing Fee

You must pay to us the Marketing Fee identified in this Agreement. In consideration for the Marketing Fee, we will provide such advertising, marketing, and promotional services as we deem appropriate in our sole discretion. We may collect the Marketing Fee on such periodic basis as we specify, which may be weekly, monthly, or otherwise.

6.2 Internet Advertising; Additional Local Advertising

You must acquire and maintain such Internet directory listings and conduct any other online advertising as we may require from time to time.

You may purchase some advertising materials from our approved suppliers, or you may have advertising and promotional materials developed for you; provided that such materials must be approved by us as described in Section 6.3 below. All advertising must be conducted in a professional manner, in accordance with the Operations Manual, and must conform to current legislation. We reserve the right to demand the withdrawal of any advertising material at any time.

You shall display all such signs, emblems and logos at the Premises as we may require from time to time.

6.3 Use of Local Advertising Materials

Prior to their use by you, samples of all local advertising materials not prepared or previously approved by us shall be submitted to us for our written approval, which approval shall not be unreasonably withheld.

For any materials that we have not approved or that have not been approved within the immediately preceding twelve (12) month period, you shall submit these materials to us for our review. We shall have fifteen (15) days after receipt of the proposed advertising and promotional materials to notify you whether they have been accepted. Unless we provide our specific approval of the proposed materials, they are deemed not approved. Any advertising materials you submit to us for our review will become our property, and we may use or distribute these materials in any manner we deem appropriate, without compensation to you. At our request, you shall include certain language in your local advertising, such as “Franchises Available”, our Website address and telephone number.

6.4 Local Promotional Activities; Reporting Requirements

During your first six months in operation, you must spend at least \$5,000 on approved local marketing expenditures to promote the Franchised Business. This amount does not include your expenditures related to the grand opening event described in Section 6.5 below.

Provided that you hire a full-time Homecare Consultant, we do not require that you spend any ongoing minimum dollar amount in order to advertise the Franchised Business, but we do require that you exert efforts to promote the Franchised Business in your Territory. During any period where you do not employ a full-time Homecare Consultant, we require that you spend a minimum of \$2,500 per month to advertise the Franchised Business in your Territory. Specifically, we require that you submit: (i) quarterly marketing and promotional plans outlining efforts to be made during your next calendar quarter of operations; and (ii) monthly reports including efforts exerted and amounts spent on marketing and promotional activities related to the Franchised Business during the previous month. Each report will be due on such day we designate and may be required to be submitted in a form we specify. Furthermore, we reserve the right to revise your quarterly marketing and promotional plans to ensure that minimum required efforts in accordance with our Standards are being exerted. Provided, however, that our revision of your

marketing and promotional efforts will not require you to spend amounts exceeding the greater of \$2,500 per month or 1% of the Gross Billings attained in your previous calendar quarter of operations.

If you don't submit the required monthly or quarterly reports, or you don't substantially implement the plans submitted, approved, and/or revised by us, we may, at our option: 1) consider this to be an event of default under this Agreement and grant you the requisite number of days in which to submit or implement the applicable report or plan; or 2) elect to conduct marketing and promotional activities in your Territory for which you agree to reimburse us for our related costs.

You must participate in all internet advertising or marketing campaigns or programs we designate from time to time. This includes, without limitation, any adword or similar campaigns. We reserve the right to manage any such campaigns or programs on your behalf and may also elect to pay the third party providers of such campaigns or programs directly, for which mutually agreed-upon costs you agree to reimburse us on such due date and by such payment method we designate. You also agree to enter into any related agreements we designate for such services.

6.5 Grand Opening

You must spend the amount we determine, not to exceed \$1,500, for a grand opening event to be incurred in connection with the grand opening of the Business. The grand opening event shall be conducted within the first six (6) months after the Business's opening, unless we approve a different timeframe. In no event, however, shall any grand opening event be conducted prior to our approving same. Immediately upon the successful completion of our initial training program, you must also implement our initial marketing and sales program.

6.6 Website

As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(a) we shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, Caring Senior Service Businesses and any or all of the products offered at Caring Senior Service Businesses, the franchising of Caring Senior Service Businesses, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

(b) we shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or your Franchised Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

(c) you shall not establish a separate Website related to the Proprietary Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any Website owned or maintained by you or for your benefit shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval under Section 6.3 above.

(d) we shall have the right to modify the provisions of this Section 6.6 relating to Websites as we shall solely determine is necessary or appropriate.

(e) You may not use the Proprietary Marks or any part or derivative thereof or any of our copyrighted works on any Website, except as expressly permitted in writing. Without limiting the

generality of the foregoing, you may not use the Proprietary Marks or any part or derivative of the Proprietary Marks as part of any URL or domain name, and may not register as part of any user name on any website (including commercial, gaming, video sharing, user review, and social networking websites), or as part of any unauthorized email address. You also may not display on any website (including commercial, gaming, video sharing, user review, and social networking websites) our copyrighted works, which include the design portion of our Proprietary Marks, or any collateral merchandise identified by the Proprietary Marks.

6.7 System-Wide Promotions

You shall participate in any promotional events identified by us that are System-wide in nature and applicable to all Caring Senior Service Businesses in the System.

ARTICLE 7

TRAINING AND TECHNICAL ASSISTANCE

7.1 Managerial Responsibility

It is agreed that at all times during the term of this Agreement, either you or a fully trained Agency Director, who is identified in writing to us and approved by us (the “Agency Director”), shall:

- (a) devote full time attention and best efforts to the active management and operation of the business of the Business;
- (b) irrespective of any delegation of authority, not inconsistent with clause (a), reserve and exercise ultimate authority and responsibility with respect to the management and operation of the business of the Business; and
- (c) represent you and act on your behalf in all dealings with us.

If two (2) or more individuals are named in this Section 7.1, each of them shall fulfill the requirements of clause (a) and both or all of them shall jointly fulfill the requirements of clauses (b) and (c), and shall be identified to us in writing.

7.2 Initial and Ongoing Training; Opening Assistance; Franchisee Meetings

We will provide to you and one (1) additional trainee (for a maximum of two (2) trainees) a mandatory training program which you and a designated employee must successfully complete prior to the opening of the Business. This training will be offered remotely and does not require you and your attendee’s travel to any specific location. If we allow the second trainee to attend the initial training program after you begin operating the Business, such trainee must successfully complete the training program to our satisfaction or be replaced with an individual who is able to successfully complete the program within a reasonable time as determined but us in our discretion. The cost of the training program for two (2) people is included in the initial franchise fee. If you request that we provide additional training to your employees, either before your Franchised Business opens or while it is operating, you must pay our then-current training fee.

You and the Agency Director (if not you), must complete our initial training program to our satisfaction. If we determine that you or the Agency Director have not completed or are unable to complete our initial training program satisfactorily, we may offer the opportunity to re-take the initial training program at your expense. You or your Agency Director’s failure to complete initial training to our satisfaction will give us the right to terminate your Franchise Agreement. If, for any or no reason, you replace your Agency Director, they must meet our then-current minimum requirements for an Agency Director, we must approve your new Agency Director in writing, and you must cause such new Agency Director to attend and successfully complete our first available initial training program. We reserve the right to disapprove your Agency Director, which we will do so in writing, if they do not meet our minimum requirements or they do not attend or successfully complete the first available initial training program.

Throughout the term of this Agreement, we may also require, in our sole discretion, that your managerial personnel and individual responsible for sales efforts attend and successfully complete all or a portion of our initial training program, and you agree to bear the costs (including reasonable tuition costs) associated with their attendance.

In addition to the initial training program described above, during your first sixteen (16) weeks of operation, we will contact you by telephone on a weekly basis to discuss your operations and to assist you with any questions you may have, we will also contact you by telephone during your first two (2) months of operation, and, at no additional charge to you, we will send one of our representatives to your Franchised Business for at least two (2) days to review your operational experience and to answer any questions. If you are purchasing your second or later Franchised Business, you must request that we provide this assistance.

We may provide continuing or refresher training for you and/or your employees, and we may designate that this training is mandatory for you, your Agency Director, Homecare Consultant(s), Care Manager(s) and/or your other employees. For any such additional mandatory or optional training, we reserve the right to charge ~~a nominal fee to help offset the cost of providing our then-current~~ training fee, and if such training involves travel for our personnel, you agree to reimburse us for all reasonable travel, lodging, and meal costs. Also for any mandatory or optional training, you must pay for all expenses incurred by your trainees, such as travel, lodging, meals and applicable wages.

In addition to the other training as described in this Section 7.2, there are certain training courses that result in certification and which are required in order for you to efficiently and effectively operate your Franchised Business. Some or all of these courses may be mandatory and will require you to pay our then-current training fee, which is determined based on the length of the training course and the number of people you are sending to the course. You acknowledge and agree that such certification courses are necessary for the continuing operation of your Franchised Business, and you agree to comply with all of our requirements in this regard.

7.3 Franchisee Conferences

We reserve the right to hold periodic meetings or conferences of our franchisees to discuss new products and services, to provide additional training and/or for other issues. If we hold a franchisee meeting, attendance may be mandatory for you and/or your Agency Director, Homecare Consultant(s), Care Manager(s) or other employees we designate. We may charge and you agree to pay a fee for training materials and conference registration. If such training or conference is required, this fee is due and payable regardless of whether or not you and your approved designees actually attend. You also agree to bear the cost for expenses you and your personnel incur in connection with conference attendance, including the cost of travel, lodging, meals, and wages.

7.4 Hiring and Training of Your Employees

You shall hire and train, at your expense, except as may be set forth in Section 7.2, all employees of the Business, and shall be exclusively responsible for the terms of their employment and compensation. You shall not employ anyone who refuses or fails to complete such training program. You shall at all times maintain a sufficient number of trained employees to service your clients, but at least the minimum number specified by us in our Confidential Operations Manual. If this Agreement applies to your second or subsequent (or your affiliate's second or subsequent) Franchised Business, you understand and agree that we may require that you maintain additional or different numbers of trained employees as specified by us in our Confidential Operations Manual. We do not participate in the hiring, disciplining, or discharging of your employees or in setting and paying wages and benefits to your employees, and you acknowledge that we have no power, responsibility, or liability in respect to the hiring, disciplining, or discharging of employees or in setting or paying their wages. You will have sole authority and control over the day-to-

day operations of the Franchised Business and its employees. At no time will you, your employees, or your independent contractors be deemed to be our or our affiliates' employees.

7.5 Operating Assistance

We shall make available to you such operating assistance and training on a continuing basis as we consider appropriate and which may consist of advice and guidance with respect to:

- (a) methods and procedures for the Approved Services;
- (b) such additional services and products as we may approve, from time to time, to be used or offered for sale by franchisees;
- (c) formulating and implementing advertising and promotional programs using such merchandising, marketing and advertising research data and advice as may, from time to time, be developed by us and deemed by us to be helpful in the operation of the Business;
- (d) the establishment and implementation of administrative, bookkeeping, accounting, inventory control and general operating procedures for the proper operation of the Business; and
- (e) the operation, cleanliness and efficiency of the Business.

At your request, and subject to the availability of our personnel, we may provide you with on-site assistance and/or training at a mutually convenient time. You must pay our then-current per diem rate for each representative we send to your Business, and you must reimburse each representative's expenses while providing on-site training or assistance, including travel, lodging and meals. In addition, if you would like us to assist you with certain employment-related issues, you must enter into our Services and Release Agreement attached to this Agreement as Exhibit J.

7.6 Back Office and Operational Services

If we require you to, you agree to engage our designated back-office services provider(s) and any other service provider we designate to be used in connection with the operation of your Business for those services we designate from time to time. Such ~~back-office~~ services may include, without limitation, call management and answering services and scheduling services. You agree to pay the fees imposed by the service provider for these services, which may change, and to enter into any related user or service agreements.

ARTICLE 8 **OUR DUTIES**

8.1 Our Duties

During the term of this Agreement, we shall, at our expense, offer to you the following:

- (a) an initial training program in System standards, specifications, methods and techniques as provided for in Section 7.2 hereof;
- (b) such periodic continuing individual or group advice, consultation, and assistance, rendered in person, by correspondence (electronic or otherwise), or by telephone or written communications made available from time to time to all franchisees of the System, as we may deem necessary or appropriate to assist you in conforming to the requirements of the System. Such continuing advice will include, but not be limited to, such topics as products and services to be offered to clients, improvements and developments in operating a Business, pricing, and administrative, bookkeeping, accounting and inventory control procedures;

(c) subject to Section 11.1 hereof, to lend to you one (1) copy of the Confidential Operations Manual and one (1) copy of any other manuals designated for use with the System, which manuals may be in paper or electronic format, as well as such additions and modifications thereto as we may, in our sole discretion, issue from time to time; and

(d) new, modified or supplemented standards for the System that, in our sole discretion, are beneficial or necessary to maintain the uniformity and goodwill of the System utilized by all franchisees.

8.2 Products and Services

Upon request and at your expense, we shall offer to you, during the term of this Agreement, any of the following services and products which we are then offering to other franchisees and on the same terms and conditions:

(a) supplies of signs, equipment, accessories, printed business forms and other materials and supplies used in the operation of the Business;

(b) opening assistance, including telephone calls and personal visits, as described in Section 7.2 hereof; and

(c) periodic supplemental training, as set forth in Section 7.2 hereof.

8.3 System Maintenance

We shall continue our efforts to maintain uniform standards of quality, cleanliness, appearance and service at all Businesses in the System, to promote, protect and enhance the public image and reputation of the System, and to increase the demand for the services and products offered by all System franchisees and to that end we shall:

(a) review all other materials prepared by you for use in local advertising and promotion pursuant to Section 6.3 hereof;

(b) conduct periodic inspections of the services and products provided to the public by your Business; and

(c) conduct periodic surveys of clients, employees, and referral sources on the Approved Services and Products provided.

8.4 Pricing

We may from time to time offer guidance with respect to the selling price of the Approved Services and any other products and services offered by your Business. You are not required to adhere to any such recommended or suggested price, however, if you elect to sell any Approved Services or products at any price recommended by us, you acknowledge that we have made no guarantee or warranty that offering such products or merchandise at the recommended price will enhance your sales or profits.

Notwithstanding the foregoing, we retain the right to set any maximum, minimum, or other retail pricing requirements, to the extent permitted by applicable law. Any such pricing requirements will be based on our unilateral determination of what would be in the best interest of the System to protect its competitive brand position.

ARTICLE 9

YOUR DUTIES

9.1 Your Obligations

In order to maintain the high quality and uniform standards associated with the System and the Proprietary Marks, and to promote and protect the goodwill associated therewith, you shall:

(a) at all times comply strictly, and cause the Business to comply strictly, with all standards, specifications, processes, procedures, requirements and reasonable instructions of ours regarding the operation of the Business. You shall adopt as a standard for performance and operation of your Business our standards and conform to all specifications relating to construction, décor, design, equipment, products, services, uniforms, signs, displays or decorations, and other identifying materials, uniform record keeping practices, days and hours of operation and such other matters as may be stated in the Confidential Operations Manual, any administrative bulletins, and other confidential manuals or materials developed by us, or otherwise, as any of same may be modified from time to time by us. To insure your conformance and compliance with our standards of performance, you will permit us, our officers, employees and designated representatives to enter your Business at any time and from time to time to conduct an inspection to ascertain whether or not the uniform standards are being met;

(b) at all times keep and maintain the Business Premises and the equipment and furnishings in a neat, clean, orderly and sanitary condition, and the equipment and furnishings in good repair and maximum working condition. In connection therewith, you shall from time to time abide by any reasonable requirement of ours with regard to the remodeling and upgrading of the Business to comply with standards then applicable to new “Caring Senior Service” franchisees. If at any time during the Initial Term or any renewal thereof any of the equipment and furnishings become obsolete or depreciated, then to the extent that they require replacement in accordance with our standards, you will replace the same with items required by our then-current standards and specifications. You shall not attach or exhibit any signs, displays, or posters on or in the interior of said building other than signs, displays or posters then currently supplied, required, or authorized in writing by us, nor shall you permit or suffer others to do so;

(c) operate the Business in accordance with the Confidential Operations Manual and strictly comply with the standards, specifications, requirements and instructions in the Confidential Operations Manual or as may be otherwise communicated to you by us. You must comply strictly with all standards, specifications, processes, procedures, requirements and instructions of ours, whether they now exist or are hereafter established from time to time regarding the operation of the Business. The Business and everything located therein must be maintained in first-class condition and repair and must be kept clean, neat and sanitary. It must be operated in a clean, wholesome and sanitary manner consistent with our requirements. All maintenance, repairs and replacements requested by us or needed in connection with the Business must be made promptly. All of your employees must be clean and neat and must wear the required uniform, if any, at all times, and must be properly licensed and qualified, if required by applicable law;

(d) offer for sale all the Approved Services and only the Approved Services, as same exist from time to time. As used in this Agreement, “Approved Services” include non-medical assistance to the elderly and to disabled or infirm adults at their homes or places of residence, and other related products and services. All Approved Services must be offered for sale on a continuous basis at the Business at the time and in the manner required by us. No sale of any product or service except Approved Services may be solicited, accepted or made at or from the Business. If requested by us on at least thirty (30) days’ notice as part of a general program or standardization effort by us, the marketing of an Approved Service must be discontinued. In such an event, such service ceases to be an Approved Service;

(i) We may, from time to time, conduct market research and testing to determine consumer trends and salability of new products and services. You must cooperate by participating in our market research programs, test marketing new products and services and providing timely reports and other relevant information regarding marketing research.

(ii) You shall not: (a) sell any unapproved product or service; (b) sell any product or service at or from any place except the Business; or (c) sell, prepare, or deliver any product or service at any place other than the Business or your clients’ homes or places of residence;

(e) at your own expense, promotionally display in and upon the Premises “Caring Senior Service” advertising signs of such nature, form, color, number, location, size and containing such

material as we shall direct or approve in writing. Only signs or advertising media approved by us shall be displayed by you in or upon the Business Premises or elsewhere. All signs must be purchased from suppliers approved by us. You shall install and maintain such signs at your own expense for the period that such signs remain in your possession. Upon termination of this Agreement for whatever reason, the signs shall become our property, and you shall promptly remove and procure any such signs and deliver them to us according to our direction;

(f) adhere to our minimum quality standards and specifications for all facets of the “Caring Senior Service” franchise, including equipment, signage, layout design, décor, fixtures, inventory supplies, advertising and sales promotion materials and other products or materials used in the operation of a Business. Such standards and specifications have been established by us for uniformity, quality control and to protect, maintain and foster our reputation, goodwill and public acceptance. All such information regarding standards and specifications is contained in the Confidential Operations Manual. The Confidential Operations Manual is incorporated in this Agreement by reference and you agree to comply with all provisions therein. All such standards and specifications may be modified at any time by us. We will provide you with a list of and specifications for the equipment and fixtures which are consistent with the standard Business. We will provide you with a list of recommended or required fixtures and equipment and the approved suppliers thereof, which list may be modified by us from time to time. We shall also provide you with lists and specifications of approved promotional materials, supplies, and other inventory items needed in the daily operation of Businesses. We will afford you the opportunity to purchase in sufficient quantity, and in a timely manner to meet your reasonable needs, any proprietary products and supplies as we or our affiliated companies are in the business of selling.

(i) We have and will continue to periodically approve suppliers and distributors of the products, materials and supplies used in the operation of a Business that meet our standards and requirements, including, without limitation, standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and client relations. You must purchase all products, materials and supplies only from distributors and other suppliers approved by us from time to time.

(ii) We may approve a single distributor or other supplier (collectively “supplier”) for any product and may approve a supplier only as to certain products. We may concentrate purchases with one (1) or more suppliers to obtain lower prices or the best advertising support or services for any group of Businesses. We may, if we choose, take advantage of discounts offered by a supplier in connection with the acquisition of large quantities of products and resell said products to you at a profit. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

(iii) If you desire to purchase any unapproved items or from any unapproved supplier, you must submit to us a written request for approval of the proposed product or supplier and obtain our written approval of the product or supplier prior to purchasing any such items from said supplier. We may inspect the proposed supplier’s facilities and require product samples from the proposed supplier to be delivered at our option either directly to us or to any independent entity which we designate for testing, which testing or evaluation and ultimate approval or rejection shall be completed within thirty (30) days of submission. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. We reserve the right to require you to reimburse our costs related to any such inspection or evaluation. We shall in no event be obligated to approve any proposed supplier;

(g) if the manufacturer or supplier of any products, equipment, supplies, goods, or other items that you purchase remits to us any rebate, allowance, discount or other sum on account of said purchases, we may keep such amount, distribute such amount among franchisees, or allocate such amount to the Fund, in our sole discretion;

(h) comply with all mandatory specifications, standards and operating procedures relating to the appearance, function, cleanliness, sanitation and operation of a Business. Mandatory specifications, standards, and operating procedures prescribed from time to time in the Confidential Operations Manual, or otherwise communicated to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to “this Agreement” include all such mandatory specifications, standards and operating procedures;

(i) secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Business. You must operate the Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to workers’ compensation insurance, unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You must promptly notify us of any applicable laws and regulations which relate to or affect your Business operations.

(i) Also, all necessary and appropriate measures must be taken to avoid unsatisfactory safety, sanitation or health ratings at all times from government authorities. Conditions or practices disapproved by any such authorities must be corrected promptly except that, after consultation between you and us, you may contest in good faith the action by such authority as being arbitrary, capricious, unfair or unlawful.

(ii) All advertising employed by you must be completely factual, in good taste (in our judgment), and must conform to the highest standards of ethical advertising. You must in all dealings with us, clients, suppliers, and public officials adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

(ii) You must refrain from any business or advertising practice which may be harmful to our business, the goodwill associated with the Proprietary Marks or other Businesses. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental unit, which may adversely affect the operation or financial condition of you or the Business, or of any notice of violation of any law, ordinance or regulation relating to health or safety;

(j) assure that at all times the Business must be under the direct, local, supervision of an Agency Director who been approved by us in writing and has satisfactorily completed our training program and has achieved required certification. You shall staff the Business with the number of Homecare Consultants, Care Managers, assistant managers or other key personnel as we specify from time to time. You shall hire all employees of the Business and be exclusively responsible for the terms of their employment, their compensation, and for the proper training of the employees in the operation of the Business and shall require all such personnel, including you, to execute our Confidentiality and Non-Competition Agreement in the form annexed hereto as Exhibit E. You may not recruit or hire, either directly or indirectly, any employee (or former employee for six (6) months after his or her employment has ended) of another Business without the advance written permission of us or the employer-franchisee. (If you violate this provision, you shall pay the hired employee’s former employer fifty percent (50%) of the hired employee’s annual salary, plus all costs and attorneys’ fees incurred as a result of the violation);

(k) provide that payment for all products and services purchased from us by you shall be due and payable upon demand by electronic funds transfer, unless otherwise specified in the Confidential Operations Manual. All other supplies, forms, documents and equipment required for the operation of the

Business and not required to be purchased from us or our designees may be purchased from us or from any source or supplier approved or designated in writing by us or from any other source or supplier, provided that we shall have first approved in writing such other source or supplier, which approval shall not be unreasonably withheld so long as the standards of the System are met;

(l) maintain at all times such arrangements with (and only with) such credit card issuers or sponsors, and shall implement and at all times operate such computer systems and credit verification systems as we may designate from time to time. We may also require that you accept debit cards, credit cards, or other non-cash systems that we specify periodically to enable clients to purchase Approved Services and Products, and to acquire and install all necessary hardware and/or software used in connection with these non-cash systems. The parties acknowledge and agree that protection of client privacy and credit card information is necessary to protect the goodwill of businesses operating under the Proprietary Marks and System. Accordingly you agree that you will cause the Franchised Business to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of client privacy and credit card information. You are solely responsible for educating yourself as to these regulations and standards, and for achieving and maintaining applicable compliance certifications. You agree to defend, indemnify, and hold us harmless from and against all claims arising out of or related to your violation of the provisions of this Section 9.1(l). You further agree to provide us with any information we require concerning your compliance with the requirements in this Section, and to demonstrate your compliance on reasonable request, which may include undergoing an independent third party audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved vendor to assist you on an ongoing basis and to abide by such vendor's recommendations.

(m) assure that your Agency Director, Homecare Consultant(s), Care Manager(s), and other personnel of the Business as we may direct shall attend and participate at such supplemental training courses, seminars, franchisee meetings and certification courses as may be specified by us from time to time.

(n) purchase only from suppliers or service providers we designate or expressly approve, and for which we may designate a single source (including us or our affiliates), those products and/or services we designate for use in connection with the Franchised Business. We will publish all of our requirements in our Confidential Operations Manual or otherwise communicate them to you in writing. You must comply with any terms, conditions, or other restrictions imposed by suppliers or service providers concerning your purchase of goods and/or services. This includes, without limitation, terms of payment except to the extent that a charge by a supplier is being contested in good faith.

9.2 Innovations to System

Should you, or anyone affiliated with you, develop any innovations, ideas, products or discoveries related to Caring Senior Service Businesses or any of the concepts, products or anything else associated with them, you shall advise us promptly of the innovation, idea, product or discovery. We have sole discretion over the decision to implement such innovation, idea, product or discovery. You shall not use such innovation, idea, product or discovery without prior authorization from us.

All innovations, ideas, products and discoveries developed or used in connection with the System or with the Businesses shall become our property, whether developed by us, by you, an affiliate of yours, or any other franchisee, and the developer shall assign such innovation, idea, product and/or discovery to us. We shall not be obligated to provide payment or reward to you, any affiliate of yours or any franchisee in the System if any innovation, idea, product or discovery is developed by any such person, whether or not implemented into the System.

9.3 Minimum Performance Criteria

To maintain your rights to the Territory and the Franchised Business, you must meet the following minimum performance criteria:

Period for Achievement	Gross Billings Target¹ (For Each Two-Week Billing Period during the Period for Achievement)
Month 7 through Month 9	\$5,000
Month 10 through Month 12	\$7,500
Month 13 through Month 15	\$10,000
Month 16 through Month 18	\$12,500
Month 19 through Month 21	\$15,000
Month 22 through Month 24	\$17,500
Month 25 through the end of Term	\$20,000

You must achieve the Gross Billings Target during each two-week period in which Gross Billings are calculated during the Period for Achievement. If any two-week Gross Billings period spans across two Periods for Achievements, the lower Gross Billing Target, if any, will apply.

9.4 Minimum Operational Standards

You must operate the Franchised Business in strict conformity with all applicable Federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Franchised Business and you must adhere to them and to the then-current implementation or interpretation of them.

Each Caring Senior Service Business must meet our operational standards, as described in the Confidential Operations Manual or otherwise in writing. Such operational standards include criteria and minimum requirements for employee and staff training in accordance with our GreatCare[®] certification program.

9.5 Client Data

You agree that all data and information collected by you from clients and potential clients in connection with your Franchised Business ("**Client Data**") is owned by us. You also agree to give us, or grant us unlimited access to, the Client Data any time we request it. You have a license and right to use the Client Data while this Agreement is in effect, but only in line with the policies that we establish and applicable law. You may not sell, transfer, or use Client Data for any purpose other than the operation of your Franchised Business in accordance with this Agreement.

ARTICLE 10

PROPRIETARY MARKS

10.1 Proprietary Marks

When used in this Agreement, "Proprietary Marks" mean the "Caring Senior Service" name, trademark and service marks which are used now or in the future to identify Businesses or Approved Services and to distinguish it from that of any other business, and the trademarks, service marks, trade names, logos and commercial symbols as may be designated by us from time to time for use in connection with the System.

10.2 License of Proprietary Marks

You are licensed to use the Proprietary Marks, goodwill and trade secrets in the operation of the Business only at the location specified in Exhibit A. Nothing in this Agreement shall be construed as authorizing or permitting their use at any other location or for any other purpose, except as may be authorized in writing by us. During the term of this Agreement and any renewal or extension hereof, you shall identify yourself as the independent owner of the Business in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing.

10.3 Ownership of the Proprietary Marks

You acknowledge that the ownership of all of the Proprietary Marks, goodwill and trade secrets remains solely with us. You shall not register or attempt to register the Proprietary Marks or to assert any rights in them other than as specifically granted in this Agreement.

10.4 Use of Proprietary Marks

You shall only use the Proprietary Marks, logos, trade styles, color combinations, designs, signs, symbols and slogans of or designated by us, and only in the manner and to the extent specifically permitted by this Agreement or in any manuals, directives or memos (hereinafter collectively referred to as “Confidential Operations Manual”) prepared by us.

10.5 Approval of Items Using Proprietary Marks

We reserve the right to approve all signs, memos, stationery, business cards, advertising material, forms and all other objects and supplies using the Proprietary Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the words “Caring Senior Service” shall be in accordance with this Agreement and the Confidential Operations Manual, and you shall obtain our approval prior to such use.

10.6 Cessation of Use after Expiration, Termination or Non-Renewal

Upon the expiration, termination or non-renewal of this Agreement, you shall immediately cease using the Proprietary Marks, color combinations, designs, symbols or slogans; and we may cause you to execute such documents and take such action as may be necessary to evidence this fact. After the effective date of expiration, termination or non-renewal, you shall not represent or imply that you are associated with us. To this end, you irrevocably appoint us or our nominee to be your attorney-in-fact to execute on your behalf any document or perform any legal act necessary to protect the Proprietary Marks from unauthorized use. You acknowledge that the unauthorized use of the Proprietary Marks will result in irreparable harm to us for which we shall be entitled to obtain injunctive relief, monetary damages, reasonable attorneys’ fees and costs.

10.7 Notification of Infringement

You shall immediately notify us of any apparent infringement of or challenge to your use of the Proprietary Marks, or any claim, demand, or suit based upon or arising from the unauthorized use of, or any attempt by any other person, firm, or corporation to use, without authorization, or any infringement of or challenge to, any of the Proprietary Marks. You also agree to immediately notify us of any other litigation instituted by any person, firm, corporation or governmental entity against us or you.

10.8 Our Right to Defend

We shall undertake the defense or prosecution of any litigation concerning you that relates to any of the Proprietary Marks or that, in our judgment, may affect the goodwill of the System; and we may, in such circumstances, undertake any other action which we deem appropriate. We shall have sole and complete discretion in the conduct of any defense, prosecution or other action we choose to undertake. In

that event, you shall cooperate and execute those documents and perform those acts which in our opinion are necessary for the defense or prosecution of the litigation or for such other action as may be undertaken by us.

10.9 You May Use Only Designated Proprietary Marks

In order to develop and maintain high uniform standards of quality and service and to protect our reputation and goodwill, you shall do business and advertising using only the Proprietary Marks designated by us. You shall not do business or advertise using any other name. You are not authorized to and shall not use the phrase “Caring Senior Service”, or any portion of the phrase, by itself, or as a part of the legal name of any corporation, partnership, proprietorship or other business entity to which you are associated, or with a bank account, trade account or in any legal or financial connection.

10.10 Inspection

In order to preserve the validity and integrity of the Proprietary Marks, and to assure that you are properly employing them in the operation of your Business, we and our agents shall have the right at all reasonable times to inspect your Business and operations. You shall cooperate with and assist our representative(s) in such inspection.

10.11 Copyright and Trademark Symbols

You shall be required to affix the ©, ®, ™ or ℠ symbol, as required by us, upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the words “Caring Senior Service” or any other of the Proprietary Marks, whether presently existing or developed in the future.

10.12 No Right to Deny Use of Proprietary Marks

You acknowledge that you do not have any right to deny the use of the Proprietary Marks to any other “Caring Senior Service” franchisees. In consideration therefor, you shall execute all documents and take such action as may be requested to allow us or other “Caring Senior Service” franchisees to have full use of the Proprietary Marks.

10.13 Avoidance of Conflict

If during the term of this Agreement there is a claim of prior use of the “Caring Senior Service” name or any other of the Proprietary Marks in the area in which you are doing business or in another area or areas, you shall so use our other Proprietary Marks in such a way and at our discretion in order to avoid a continuing conflict.

10.14 Indemnification

We agree to indemnify you against, and to reimburse you for, all damages, costs, reasonable attorneys’ fees and expenses for which you are held liable in any proceeding in which your use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any such claim brought against you or in any such proceedings in which you are named as a party, provided that you have timely notified us of such claim or proceedings, have otherwise complied with this Agreement and have tendered complete control of the defense of such to us. If we defend such claim, we shall have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney retained by you.

10.15 Limited License; Modification of Proprietary Marks

You understand and agree that the limited license to use the Proprietary Marks granted hereby applies only to such Proprietary Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing.

You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Proprietary Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Proprietary Marks.

If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then you shall be obligated to comply with any such instruction by us. In such event, we shall have no obligation to reimburse you for your documented expenses of compliance, such as changing signs, stationery, etc. You waive any claim arising from or relating to any Proprietary Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

10.16 Name Registrations

Before commencing business at the Business, you must supply evidence satisfactory to us that you have complied with all applicable laws regarding the use of fictitious or assumed names. You must take such steps as we approve in writing to register the trade name (or d/b/a) “Caring Senior Service” to be able to operate the Business under such name within your Protected Territory. Except for registration of a “d/b/a” or assumed name or other fictitious name certificate in connection with the operation of the Business, you must not register or attempt to register our names, or the Proprietary Marks, or any portion of our names or the Proprietary Marks, as a part of your entity name, or that of any other entity, nor shall you make any attempt to register a domain name, whether or not they include domain derivatives, outlaw websites, or the Proprietary Marks.

ARTICLE 11

OPERATIONS MANUAL AND CONFIDENTIALITY

11.1 Confidential Operations Manual

We have developed and will lend to you during the term of this Agreement an operating manual for the Business (herein referred to as the “Confidential Operations Manual”) containing mandatory specifications, standards, methods, techniques and procedures for the operation of the Business prescribed from time to time by us for our franchisees, and containing information relative to your other obligations hereunder. All such specifications, standards and operating procedures shall be consistent with this Agreement and all applicable laws. Specifications, standards and operating procedures prescribed from time to time by us in the Confidential Operations Manual or otherwise communicated to you in writing shall constitute provisions of this Agreement as if fully set forth herein and shall be kept confidential by you at all times during the term of this Agreement and after the termination or expiration thereof for any reason. You shall operate your Business strictly in accordance with the Confidential Operations Manual. We shall have the right to add to, and otherwise modify, the Confidential Operations Manual from time to time to reflect changes in Approved Services, the System, or the operation of the Business; provided, however, no such addition or modification shall alter your fundamental status and rights under this Agreement. You covenant to accept, implement and adopt any such modifications at your own cost. You shall keep the Confidential Operations Manual up to date with replacement pages and insertions as instructed by us. You acknowledge that the Confidential Operations Manual contains proprietary information of ours and you agree to keep the Confidential Operations Manual and its contents confidential at all times and not to make any copies thereof. The Confidential Operations Manual shall at all times remain our property, and you shall promptly return the Confidential Operations Manual to us upon our request, and in any event upon the termination or expiration of this Agreement for any reason. In the event a dispute arises as to the contents of the Confidential Operations Manual, the master copy maintained by us shall be controlling.

11.2 Confidentiality

You shall not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any Confidential Information or know-how concerning the methods of operation of the System hereunder which may be communicated to you, or of which you may become apprised, by virtue of the operation of the Business under this Agreement. Confidential information means all trade secrets, method of operations, and other elements of the System, as well as all client information, all information contained in the Confidential Operations Manual, financial information, marketing programs and data, vendor and supplier information, all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised by virtue of your operation of the Business under the Franchise Agreement, and all other information that we designate as confidential (collectively, "Confidential Information"). You shall divulge such confidential information only to such of your employees who must have access to it in order to operate the Business. Notwithstanding the foregoing, the confidentiality covenant in this Section 11.2. will not apply to information which you can demonstrate came to your attention prior to disclosure thereof by us; or which, at the time of disclosure by us to you, had become a part of the public domain through publication or communication by others; or which, after disclosure to you by us, becomes a part of the public domain through publication or communication by others.

You will require any personnel having access to any Confidential Information provided by us to execute covenants that they will maintain the confidentiality of information they received in connection with their employment with you at the Business. Such covenants shall be on a form provided by us, and which will include, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them.

You agree that all client information (including, the names, addresses and other information regarding current and former clients serviced by the Franchised Business), will be and remain our sole property and you hereby assign and transfer to us all rights or interests that you have or may have therein, provided, that we grant you the right and license to use such information during the term of this Agreement for the purposes contemplated herein but for no other purpose. The term "clients" as used in this Section 11.2. includes all clients to whom you have provided Approved Services and Products to through the Franchised Business.

You acknowledge that any failure to comply with the requirements of this Article 11 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys' fees incurred by us when we seek to obtain specific performance of or an injunction against violation of the requirements of this Article 11.

11.3 Return of Confidential Operations Manual

You shall keep the Confidential Operations Manual in your Business at all times and promptly return all copies to us upon the expiration or termination of this Agreement, and shall refrain from making any copies thereof or otherwise reproducing it either in whole or in part at any time.

ARTICLE 12

INSURANCE

Prior to opening the Business for business, you must obtain the insurance coverages required by us, as specified in the Confidential Operations Manual or otherwise in writing, under policies of insurance issued by carriers approved by us, on such minimum terms, and for such minimum coverage limits that we require. You understand and acknowledge that our requirements relative to insurance coverages may change during the term of this Agreement, and you agree to comply with any such changes at your own expense.

You must maintain all required policies in force during the entire term of this Agreement and any renewals thereof. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including an umbrella policy, 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. Each insurance policy must name us (and, if we so request, our directors, employees or shareholders) as additional insureds and must provide us with thirty (30) days' advance written notice of any material modification, cancellation, or expiration of the policy. In addition to the foregoing, you shall be obligated to adhere to any insurance requirements set forth in your lease or sublease, if different from the above requirements.

Not later than ten (10) days before the Business opens and thereafter upon the renewal of each insurance policy, you must furnish us with a Certificate of Insurance for each policy to be maintained for the upcoming term, along with evidence of the payment of the premium for each. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of the required insurance coverage and the payment of the premiums for same, we may obtain, at your option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do that, you agree to fully cooperate with us in our effort to obtain the insurance policies, promptly execute all forms or instruments required to obtain or maintain the insurance, allow any inspections of the Business which are required to obtain or maintain the insurance and pay to us, on demand, any costs and premiums we incur.

Your obligation to maintain insurance coverage, as described in this Agreement, will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Article 12.

ARTICLE 13

TERMINATION

13.1 Automatic – No Opportunity to Cure

This Agreement shall immediately terminate at the end of the term hereof and shall also terminate without notice if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company:

(a) shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

13.2 Termination by Us Upon Notice – No Opportunity to Cure

We shall have the right to terminate this Agreement effective immediately upon delivery of notice of termination to you if:

(a) you or any of your owners take the benefit of any act or proceeding for winding up your/its affairs or compromising your or its debts;

(b) make an Assignment or sale of the franchise or ownership in the franchise as defined in Article 16 hereof without first complying with the provisions of this Agreement, including the requirement to offer us a right of first refusal;

(c) you or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(d) you operate the Franchised Business or sell Approved Services at or from a location we have not approved, excluding your clients' homes or places of residence;

(e) you fail to acquire an Approved Location for the Franchised Business within the time and in the manner specified in this Agreement, you fail to construct or remodel the Franchised Business in accordance with the terms of this Agreement, you fail to satisfactorily complete our initial training program, or you fail to open the Franchised Business within the period specified in this Agreement;

(f) you at any time cease to operate or otherwise abandon the Franchised Business, or lose the right to possession of the Approved Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, that this provision does not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, fire or other catastrophe or other forces beyond your control, but not including your lack of operating funds), or if through no fault of your own the Approved Location is damaged or destroyed by Force Majeure, provided you apply within thirty (30) days after the Force Majeure event for our approval to relocate or reconstruct the Franchised Business (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation;

(g) you or any of your owners is convicted of, or enters a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or any other crime or offense we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill of the System and the Proprietary Marks or our interests therein;

(h) a threat or danger to public health or safety results from the operation of the Franchised Business:

(i) transfer upon death or permanent disability is not made in accordance with this Agreement and within the time periods specified;

(j) you knowingly maintain false books or records, or submit any false reports to us;

(k) you breach in any material respect any of the covenants set forth in this Agreement or falsely make any of the representations or warranties set forth in this Agreement;

(l) you or any of your owners commit two material events of default under this Agreement within any 12 month period, whether or not the defaults are of the same or different nature and whether or not the defaults have been cured by you after notice by us;

(m) you become a patient under the mental health laws of any state;

(n) you provide false information in the making of your Franchise application;

(o) you fail to achieve or maintain the minimum performance requirements stipulated in Section 9.3 above;

(p) you abandon or surrender or transfer control of the operation of the Business or fail to actively carry on business from the Premises and such condition continues for five (5) days after notice of such default is given, provided, however, we shall not terminate this Agreement solely as a result of your abandoning the operation of the Business due to death without our first giving ten (10) days' prior written notice to your trustee, executor, administrator or next of kin as shown in our files;

(q) you submit on two (2) or more occasions at any time during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates your revenue for any period by more than two percent (2%), unless you demonstrate that such understatement resulted from inadvertent error;

(r) you fail or refuse to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submit such reports more than five (5) days late on two (2) or more occasions during the term of this Agreement;

(s) you violate any law, ordinance, rule or regulation of any governmental agency in connection with the operation of the Business;

(t) repeated and frequent justifiable complaints are made by your clients;

(u) you are responsible for any act or omission which impairs or threatens to impair the Marks or the System; or

(v) you offer or sell any product or service that is not approved by us.

13.3 Termination By Us – After Notice and Opportunity to Cure

We shall have the right to terminate this Agreement effective immediately upon delivery of notice of termination to you, and upon the expiration of the applicable cure period provided in such notice, if:

(a) you fail to pay any amount owed to us or any company affiliated with us any amounts owed whatsoever within ten (10) days after your receipt of our written demand for payment; you fail to honor on two (2) or more occasions during the term of this Agreement checks presented to us for payment; you fail to maintain on two (2) or more occasions during the term of this Agreement sufficient funds for us to electronically debit amounts owed to us; or you repeatedly and consistently pay any amount due hereunder after its due date;

(b) you fail to comply with any other provision of this Agreement or any other specification, standard or operating procedure prescribed by us and do not correct such failure within thirty (30) days after written notice of such failure to comply (which notice shall describe the action that you must take) is delivered to you;

(c) you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us or any of our affiliates when due under this Agreement or any other agreement, or to submit the financial or other information we require under this Agreement and you do not cure the default within thirty (30) days following notice from us (or other cure period specified in this Agreement, unless no cure period is stated or the period is less than thirty (30) days, in which case the thirty (30) day cure period applies);

(d) you or any of your owners fail to comply with the in-term covenants in this Agreement or you fail to obtain execution of the covenants and related agreements required under this Agreement within thirty (30) days after being requested to do so by us;

(e) contrary to the terms of this Agreement, you or any of your owners disclose or divulge any confidential information provided to you or your owners by us, or fail to obtain execution of covenants and related agreements required under this Agreement within thirty (30) days after being requested to do so by us;

(f) you fail to implement any GreatCare[®] Audit correction within the allotted 30-day correction period, or to provide proof of correction immediately upon demand, and, in addition, fail to implement the corrections or provide proof of correction within fourteen (14) days following notice from us;

(g) you provide products and/or services to clients in another franchisee's territory in violation of the terms of this Agreement and do not cure this default by remitting Forty percent (40%) of Gross Billings related to the clients to the other franchisee within seven (7) days following notice from us and by transferring the clients to the franchisee in whose territory they are located within three (3) days following notice from us, or as permitted by applicable law, whichever is later;

(h) you fail to procure and maintain insurance policies required by this Agreement and you fail to cure this default within seven (7) days following notice from us; or

(i) you misuse or make any unauthorized use of the Proprietary Marks or otherwise materially impair the goodwill associated with the Proprietary Marks or our rights; provided that, notwithstanding the above, you are entitled to notice of this event of default and have twenty-four (24) hours to cure this default.

13.4 Loss of Occupancy

In the event your lease expires, or if your right to the possession of the Business is otherwise lost without your fault, in our reasonable judgment, we shall not terminate this Agreement, provided that you relocate and reopen your Business at a location within the Protected Territory and under occupancy terms acceptable to us. In this relocation, you agree to comply with our then-current location, leasing, design, construction and opening requirements. In addition, such relocation shall occur and your Business must be open to the public within ninety (90) days from the date on which the prior lease terminated or possession of the Business was lost.

In the event this Agreement is terminated as a result of your being unable to relocate your Business as discussed in this Section 13.4, and provided that you have made a good faith effort to relocate your Business within the required time period and have not refused to accept any new site that we may have found for said Business, the termination of this Agreement will not be deemed to be a termination because of a default and the liquidated damages provisions of Section 14.7 of this Agreement will not apply.

13.5 Our Right to Discontinue Services to You; Alternative Remedies

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 13, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you, until such time as you correct the breach. If you breach.

If you do not meet and maintain the minimum performance criteria we may, or are in default beyond the applicable cure period per the terms of this Agreement, the, as an alternative to terminating this Agreement, we may, in our sole discretion, modify your Protected Territory or modify your territorial rights (including revocation of exclusivity).

In addition, if you service a client in another franchisee's territory in violation of the terms of this Agreement, we may elect, in lieu of termination, to require that you immediately: (1) remit 40% of Gross Billings for the period you serviced the unauthorized client to the franchisee in whose territory the client is located, and (2) you transfer the client to such franchisee as soon as practicable and in accordance with applicable law.

ARTICLE 14

RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

14.1 Payment of Amounts Owed to Us and Other Creditors

You agree to pay, within seven (7) days of the effective date of termination or expiration of this Agreement, all amounts owed to us and any company affiliated with us and your trade and other creditors

which are then unpaid. All periodic payments shall be deemed to accrue daily and shall be adjusted accordingly.

14.2 Return of Manuals and Retention of Records

You agree that, within fifteen (15) days of the effective date of termination, non-renewal or expiration of this Agreement for any reason, you will immediately return to us all copies of the Confidential Operations Manual, your client database and all other lists of clients, employees, referral sources, prospects and leads of the Business, and all promotional or other materials of a proprietary nature or which bears any of the Proprietary Marks. You shall retain all business records for at least five (5) years following the expiration of termination of this Agreement, and shall keep us advised of the location of such records.

14.3 Cancellation of Assumed Names; Transfer of Phone Numbers; Transfer of Advertisement and Internet Listings

You agree, upon termination, non-renewal or expiration of this Agreement for any reason, to take such action as may be required to cancel all registrations relating to the use of any of the Proprietary Marks and will not directly or indirectly at any time or in any manner identify any premises or any business as a franchise, or yourself as a franchisee, of ours; and you shall not, in any manner or for any purpose, use any of the Proprietary Marks or any colorable imitation thereof.

You shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number and any classified or other telephone directory listings associated with such names and to authorize the transfer of same to us or our new franchisee. You acknowledge that, as between us and you, we have the sole rights to and interest in all telephone numbers and directory listings associated with the Proprietary Marks. You will provide us, on execution, with an undated assignment of the telephone number to us, in the form annexed hereto as Exhibit B.

You also agree, upon termination, non-renewal, or expiration, to immediately provide us with a list of all Internet, hard copy, or other form of advertisements, business listings, and marketing and promotional items connected with the Business. We will review the list and notify you as to which, if any, we require that you transfer or assign to us, and which must immediately be cancelled, removed, or deleted. If we elect not to assume your rights in and to Internet listings or advertisements, you agree to ensure that these listing, advertisement, and all information related to the Business, is immediately deleted or removed from the Internet.

14.4 Signs and Appearance of Your Business

In the event that you maintain possession of the Premises subsequent to the termination or expiration of this Agreement, you agree to immediately, upon request from us, make such alterations and removals or changes in signs and colors as we may reasonably request so as to distinguish effectively the Premises from its former appearance and from the then-prevailing Business image.

14.5 Assignment of Customers and Client Contracts

You will, immediately upon our request, assign all outstanding client contracts to us or our designees; notify your clients, at such time and in such manner specified and approved by us, of our designated successor to the contract or customer relationship; and provide us with all related reasonable client, contract, and account information. You agree to assist us in any manner we request to ensure any applicable licensing regulations related to client transfer or discharge is observed and indemnify us for any damages resulting from your failure assist us under this Section.

14.6 Continuing Obligations

All obligations of the parties hereto which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect, notwithstanding such expiration or

termination. In particular, but without limiting the generality of the foregoing, the provisions of Articles 10, 11, 13 and 15 hereof shall survive termination or expiration of this Agreement.

14.7 Our Right to Repurchase

Upon expiration, non-renewal or termination of this Agreement, we shall have the option, exercisable by written notice to you within thirty (30) days after expiration, non-renewal or termination of this Agreement, to purchase from you for cash all or some of the tangible and intangible assets of the Business, including, without limitation, such tangible assets as real property and business licenses. We will also be entitled to an assignment of your lease for the Premises of the Business or, if an assignment is prohibited, a sublease for the full remaining term of the lease and on the same terms and conditions as your lease. The purchase price for said assets shall be an amount agreed upon by you and us. In the event you and we cannot agree on a purchase price within fifteen (15) days, the purchase price shall be determined by an independent appraiser selected as follows: we and you shall each select one (1) appraiser and those two (2) appraisers shall select a third appraiser who shall determine the purchase price. The decision of the third appraiser shall be binding on all parties. We and you shall each pay the cost of their respective appraisers, and the cost of the third appraiser shall be divided equally between us and you. In determining the purchase price, no value shall be included for intangibles, goodwill or going concern value.

The closing of our purchase of the assets (the “Closing”) shall occur at a time and place designated by us, but in no event later than thirty (30) days after determination of the purchase price. The purchase price shall be paid in six (6) equal installments. The first installment shall be paid at the Closing and subsequent installments shall be due every six (6) months. Unpaid installments of the purchase price shall accrue interest from the date of the Closing until paid at the prime rate of interest announced from time to time by Citibank, N.A. or, if said bank stops announcing such a rate, then at the rate such bank charges its largest commercial borrowers for short term borrowing. Payment of any accrued interest shall accompany payments to you of each installment of the purchase price. We shall have the right to offset against and reduce the amount of the first installment of the purchase price, and defer said installment, if necessary, by any and all amounts owed by you to us or any of our affiliates. If you are unable to deliver clear title to all the purchased assets or if there are other unresolved issues, the Closing will be accomplished through an escrow.

If we exercise the repurchase option set forth herein, we shall have the right, pending the Closing, to appoint a manager to maintain the operation of the Business. Alternatively, we may require you to close the Business during such time period without removing any assets. We have an unrestricted right to assign the option to repurchase set forth herein.

14.8 Liquidated Damages

Upon termination of this Agreement according to its terms and conditions, you agree to pay to us, within fifteen (15) days after the effective date of this Agreement’s termination, in addition to the amounts owed hereunder, liquidated damages equal to the average monthly value of the Royalty Fees you paid to us during the twelve (12) months of operation (or average monthly value over the total number of months the Business has been in operation, if less than (12) months) preceding the effective date of termination multiplied by (a) thirty-six (36), being the number of months in three (3) full years, or (b) the number of months remaining in the Agreement had it not been terminated, whichever is less.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement’s termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement’s remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 15

COVENANTS

15.1 Non-Competition During Agreement

During the term of this Agreement, you and your immediate family members shall not individually nor in conjunction with any person, firm, partnership, corporation or other third party as principal, agent, shareholder, director, officer, employee, consultant or guarantor or in any other manner whatsoever, directly or indirectly, carry on or be engaged in or concerned with or interested in, financially or otherwise, or advise in the establishment or operation of, any business which offers non-medical in-home personal care services or other services similar to those offered at the Business or anywhere else, including via the internet (a “Competitive Business”).

15.2 Non-Competition Following Termination, Expiration or Transfer

In the event of the expiration, non-renewal or termination of this Agreement for any reason whatsoever, or in the event this Agreement is transferred pursuant to Section 16.2, 16.4 or 16.7 hereof, you (or, in the case of a Transfer among the individuals comprising you pursuant to Section 16.4, the Transferor individual(s)) shall not, without our prior written consent, at any time during the period of two (2) years from the date of such expiration or termination or transfer, either individually or in conjunction with any person, firm, partnership or corporation or other third party as principal, agent, shareholder, director, officer, employee, consultant, guarantor or in any other manner whatsoever, directly or indirectly carry on, be engaged in or be concerned with or interested in, financially or otherwise, or advise in the operation of any Competitive Business within the Protected Territory of the Business and a fifteen (15) mile area surrounding the Protected Territory of the Business or within fifteen (15) miles of the protected territory of any other Business as of the date of termination.

15.3 Interference with Employment Relations

During the term of this Agreement and for a period of two (2) years after the termination or expiration of this Agreement for any reason whatsoever, or the transfer of this Agreement pursuant to Section 16.2, 16.4 or 16.7 hereof, you (or, in the case of a Transfer among the individuals comprising you pursuant to Section 16.4, the Transferor individual(s)) shall not solicit for employment any person who is, at the time of such solicitation, employed by us or by any other franchisee of ours, nor shall you directly or indirectly induce any such person to leave his or her employment.

15.4 Amendment of Restrictive Covenants

You acknowledge that the provisions of this Article 15 have been inserted for our sole benefit and that we shall have the right, from time to time during the term of this Agreement in our sole discretion, to waive in whole or in part or otherwise reduce the scope of any covenant set forth in this Article 15 or any portion thereof without your consent, effective upon our giving notice thereof to you.

15.5 Other Covenants

You covenant that after termination, non-renewal or expiration of this Agreement, regardless of the cause of termination or expiration, you shall not, without our prior written consent, directly or indirectly:

(a) adopt, use, employ or trade under any of the Proprietary Marks, nor adopt, use, employ or trade under any other name, mark or symbol that constitutes a reproduction, counterfeit, copy, imitation or variation thereof, or which is confusingly similar thereto;

(b) adopt, use, employ or trade under any description or representation that falsely suggests or indicates a connection or association with us;

(c) copy, communicate or otherwise use for the benefit of you or of any other person any information deemed confidential pursuant to Article 11 hereof; or

(d) contest or aid others in contesting the validity or enforceability of the Proprietary Marks or the System, contrary to Section 10.1 hereof.

15.6 Power of Attorney

You hereby irrevocably appoint us as your true and lawful attorney to take any action, execute any document, or do any other act or things required by Articles 10 and 14 hereof at your sole risk and expense upon your failure or refusal to comply fully therewith within ten (10) days after termination, non-renewal or expiration of this Agreement; and you further consent and agree that we or our designated agents shall have the right to enter the Business at any time, at your sole risk and expense and without liability for trespass, tort or other act, to make any alterations thereto required by Section 14.4 hereof upon your failure or refusal to do so within ten (10) days after the termination, non-renewal or expiration of this Agreement, and you hereby covenant and agree for your successors and assigns to allow, ratify and confirm whatever we or our designated officer shall do by virtue of the foregoing power of attorney. You hereby declare that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on your part.

15.7 Improvements

If you, your employees, or owners develop any new concept, process or improvement in the operation or promotion of a Caring Senior Service® Business (an “Improvement”), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your owners hereby assign to us any rights you or your owners may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your owners agree to assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your owners hereby irrevocably designate and appoint us as agent and attorney-in-fact for you and for them to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 15.7. are found to be invalid or otherwise unenforceable, you and your owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your owners’ rights therein.

ARTICLE 16

ASSIGNMENT, TRANSFER AND SALE

16.1 Our Right to Transfer

We shall have the right, without the need for your consent, to assign, transfer or sell our rights under this Agreement to any person, partnership, corporation or other legal entity provided that the transferee agrees in writing to assume all obligations undertaken by us herein and you receive a statement from both us and our transferee to that effect. Upon such assignment and assumption, we shall be under no

further obligation hereunder, except for accrued liabilities, if any. You further agree and affirm that we may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Proprietary Marks (or any variation thereof) and System and/or the loss of association with or identification of Caring Senior Service Franchise Partnership, L.P. as Franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

You agree that we have the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Caring Senior Service" operating under the Proprietary Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Protected Territory, proximate thereto or proximate to any of your locations).

If we assign our rights in this Agreement, nothing herein shall be deemed to require us to remain in the in-home personal care business or to offer or sell any products or services to you.

16.2 Transfer by You

You shall not, in whole or in part, voluntarily or involuntarily, directly or indirectly, pledge, encumber, mortgage, assign, subdivide, subfranchise or otherwise transfer any interest in this Agreement, or any interest in the Business or the franchise granted hereunder (including, without limitation, by your personal representatives in the event of the death of an individual Franchisee, by will, declaration of, or transfer in, trust or the laws of intestate succession), or any interest in you or in any proprietorship, partnership or corporation which owns any interest in this Agreement or in the Business or the franchise granted hereunder or in you, nor offer, permit or suffer the same without our prior written approval, which approval shall not be unreasonably withheld. If such approval is granted, it shall be conditional upon:

(a) your being then in full compliance herewith and settling and paying to us or our affiliates and all trade creditors of the Business all outstanding debts;

(b) the transferee executing our then-current franchise agreement (which shall have a term equal to the remainder of the term hereof) and such other ancillary agreements, guarantees, instruments and documents then customarily used by us to grant Business franchises and satisfactorily completing all required training, at the transferee's expense;

(c) you and your officers, directors, shareholders, managers and members, if a corporate entity, executing a general release of us, our officers, directors and employees;

(d) the transferee purchasing all of the assets used in the Business in accordance with all applicable bulk sales legislation and assuming all of your business liabilities;

(e) the transferee's demonstration our satisfaction that the transferee meets our then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Business; has sufficient equity capital to operate the Business; and otherwise meets all the criteria for "Caring Senior Service" franchisees;

(f) you pay to us a transfer fee in an amount equal to Twenty Percent (20%) of our then-current Franchise Fee; and

(g) you and transferee entering into a written agreement of purchase and sale, the form and content of which shall be subject to our approval. The economic terms of the transfer may not materially and adversely affect, in our sole judgment, the post-transfer viability of the Business.

16.3 Assignment to Corporate Entity

Notwithstanding Section 16.2, after obtaining our written consent, the franchise granted hereunder may, subject to Article 17, be assigned by you without charge, once only, to a newly formed corporation, limited liability company or other limited liability entity which shall conduct no business other than the franchise granted hereunder, which is actively managed by you and in which you at all times own and control greater than fifty percent (50%) of the equity and voting rights and interests. You and such corporate entity shall execute an Assignment and Guarantee Agreement in our standard form.

In the event of such an assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors, shareholders, manager and members, as the case may be, to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its formation documents to provide in effect that its object or business is confined exclusively to the operation of a “Caring Senior Service” Business as provided in this Agreement, and cause the entity to restrict the issue of, and its directors, shareholders, managers and members, as the case may be, to restrict the transfer of, equity interests of the entity so that you shall continuously own greater than fifty percent (50%) of the equity and voting rights and interests in such corporate entity.

16.4 Transfer Among Franchisees

In the event that you comprise two (2) or more individuals, we shall not unreasonably withhold our consent to a sale, assignment or transfer of any kind (a “Transfer”) of the interest of one (1) such individual (the “Transferor”) in the franchise hereunder to the other individual or individuals comprising you, if but only if:

- (a) the Transferor transfers the whole of such interest in this Agreement and all other agreements relating to the franchise hereunder;
- (b) the Transfer shall not relieve the Transferor of the Transferor’s obligations hereunder to us;
- (c) the Transfer shall be completed in accordance with all applicable bulk sales legislation;
- (d) the Transferor shall have given us at least thirty (30) days’ prior written notice of the proposed Transfer, together with all reasonable details thereof which we may demand;
- (e) the Transferor and the remaining individual(s) with an interest in you execute such documents as may be required by us in connection with such Transfer; and
- (f) the remaining individual(s) with an interest in you is (are), in our opinion, capable of operating the business associated with the Business without the Transferor.

16.5 Our Right of First Refusal

If you shall at any time decide to sell the Business or the ownership interest therein, you shall obtain a bona fide, executed written offer to purchase the Business, together with all real or personal property, leasehold improvements and other assets used by you in connection with the Business, from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to us. We shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, but not the obligation, exercisable by written notice to you, to purchase all of the Business and your said assets for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer and there shall be deducted from the purchase price the amount of any commission

or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with such sale. During said thirty (30) day period, we shall have the right to inspect all of your books and records relating to the Business's operation, specifically including all financial records and statements for the three (3) full fiscal years preceding the date on which the thirty (30) day right of first refusal commences, and if you are a corporate entity, all corporate minute books and transfer records. If we do not exercise our right of first refusal, you may complete the sale of the Business to such purchaser on the same terms offered to us, subject to the provisions of Section 16.2 hereof. If the sale to such purchaser is not completed within sixty (60) days after delivery of such offer to us, or if the terms of the offer change, we shall again have the right of first refusal herein provided.

16.6 Temporary Operation of Business by Us; Step-In Rights

To prevent any interruption of the Franchised Business's operations, you hereby authorize us, and we shall have the right, but not the obligation, to operate the Franchised Business on your behalf for as long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement, in the event that: **(a)** you or your Agency Director is absent or incapacitated by reason of illness, death or disability and, therefore, in our sole determination, you are not able to operate the Franchised Business in full compliance with this Agreement; **(b)** you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; **(c)** we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern; **(d)** you fail to keep the Business open for business during the hours required by us (whether pursuant to the Confidential Operations Manual or otherwise); or **(e)** you or your Agency Director are absent from the Business for more than fifteen (15) consecutive days or for more than thirty (30) days in any consecutive ninety (90) day period, or you abandon the Premises. In the event that we so operate the Business, we shall account to you (or your estate) for all net income from such operation, less our reasonable expenses incurred in, and a reasonable management fee for, our operation of the Business. In the event we exercise our rights under this Section, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of our rights to operate your Franchised Business under this Section.

16.7 Death or Incapacity

For the purposes of this Section 16.7, "Franchisee" shall include the controlling shareholder of a corporate Franchisee. If you die or become incapacitated (which shall be deemed to include, in our reasonable opinion, your inability, by reason of physical or mental illness or disability, to operate the Business in the ordinary course for a period of thirty (30) days or more in any consecutive ninety (90) day period) so that you (or, in the case of your incapacity only, the Agency Director is not able to devote full time and attention to the operation of the Business, then the rights granted hereunder may be transferred to your heirs or personal representatives, if our prior written consent is obtained, within one hundred and eighty (180) days from the beginning of the disability or from the date of death. In no event will we be willing to provide our consent to such transfer unless the conditions set forth in Section 16.2 hereof (save and except the requirement to pay our then-current transfer fee) are satisfied. In the event that such conditions (save and except the requirement to pay our then-current transfer fee) are not satisfied, we shall have the right in our sole discretion to terminate this Agreement by notice, in the case of death, to your estate and, in the case of your incapacity, to you.

ARTICLE 17

PARTNERSHIP AND CORPORATE FRANCHISEES

If you or any successor thereof is a partnership, corporation or limited liability company, or if the franchise granted hereunder is assigned to a partnership, corporation or limited liability company pursuant to Article 16 hereof:

(a) upon the execution of this Agreement (or, in the case of an assignment, upon such assignment) and subject to the provisions of Article 16 hereof, upon each transfer of an interest in this Agreement or in you, all holders of an interest in you shall execute a written agreement with us in the form required by us individually undertaking to be bound, jointly and severally, by all of the terms of this Agreement;

(b) the articles of partnership, partnership agreement, articles of incorporation, by-laws, articles of organization, operating agreement and other organization documents shall recite that the issuance and transfer of any interest therein is restricted by the terms of Article 16 of this Agreement and copies thereof shall be furnished to us at our request. You shall also submit to us, at any time upon request, a list of names and addresses of all directors, officers, partners and members or beneficial shareholders reflecting their respective interests in you and other information regarding you, in such form as we may require;

(c) upon the execution of this Agreement, provide us with a certificate of good standing or due organization of the franchisee business entity from the Secretary of State or applicable state agency;

(d) upon the execution of this Agreement, provide a certified resolution by the board of directors or members authorizing the corporation, partnership, or limited liability company to enter into the Franchise Agreement with Caring Senior Service Franchise Partnership, L.P. and designating the name of the officer authorized to execute the Franchise Agreement on behalf of the corporation, partnership, or limited liability company.

(e) upon the execution of this Agreement, provide a written document stating the name of the member, officer, director, or other principal responsible for the day-to-day operation of the Franchised Business; and

(f) you, if you are a corporation, shall maintain stop transfer instructions against the transfer on your records of any securities with voting rights subject to the restrictions of Article 16 hereof and shall issue no such securities, nor permit any issued securities to remain outstanding, upon the face of which the following printed legend does not legibly and conspicuously appear: “The transfer of the shares represented by this certificate is subject to the terms and conditions of a Franchise Agreement with Caring Senior Service Franchise Partnership, L.P., dated _____.”

ARTICLE 18

TAXES, PERMITS AND INDEBTEDNESS

18.1 Responsibility for Taxes

You shall be solely responsible for all expenses of the Business franchised by this Agreement and shall promptly pay when due all taxes levied or assessed and all indebtedness to us or to others incurred by you in connection with the conduct of such Business.

In addition to Royalty Fees, we have the right to collect from you the cost of all income taxes, sales taxes and other taxes arising as a result of our licensing of intellectual property to you in the state where your Business is located, as well as any assessment on the Royalty Fees, Marketing Fees, and any other income we receive from you. This fee is payable with the Royalty Fees and only imposed if a state collects these taxes or assessments.

18.2 Compliance with Laws

You shall comply with all federal, provincial and local by-laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business franchised by this Agreement, including, without limitation, licenses to do business, name registrations, sales tax permits and all other licensure and/or bonding requirements related to operating a Business.

18.3 Notice of Litigation

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other government instrumentality which may adversely affect the operation or financial condition of the Business.

ARTICLE 19

CLIENT RELATIONS

19.1 Cooperation

You shall cooperate with us and all other franchisees of ours in promoting good public, client, relations with the public generally and with clients, employees, and potential clients of the Business.

19.2 Notice to Us

You shall forthwith forward to us copies of all correspondence received from clients containing complaints or compliments regarding service received or products purchased from you or from any other franchisee of ours.

19.3 Client Complaints

You shall promptly advise and provide us with copies of all complaints received from clients. We shall be entitled to respond to any client complaints or to require you to respond to any client complaints.

ARTICLE 20

RELATIONSHIP AND INDEMNIFICATION

20.1 Independent Parties

You are and will at all times remain an independent contractor and are not and shall not represent yourself to be the agent, joint venturer, partner or employee of ours, or to be related to us other than as our independent franchisee. No representations will be made or acts taken by you which could establish any apparent relationship of agency, joint venture, partnership or employment, and we shall not be bound in any manner whatsoever by any agreements, warranties or representations made by you to any other person, nor with respect to any other action of yours. You shall not establish any bank account, make any purchase, apply for a loan or credit, or incur or permit any obligation to be incurred in our name or on our credit.

20.2 Non-Liability

We shall not be obligated or liable for any injury or death to any person, or damage to or loss of any property caused by your action, failure to act, negligence, breach of this Agreement or willful misconduct, nor for any liability of yours.

as, in our opinion, may be necessary.

20.3 Indemnification by You

You shall, during the term of this Agreement and after the termination or expiration of this Agreement and in addition to your obligations contained in Article 12 hereof, indemnify us and our officers,

directors and employees, and hold them harmless from and against all losses and expenses resulting directly or indirectly from, or in connection with:

- (a) your breach of this Agreement, or any other lease, sublease, agreement or contract to which we and you are parties;
- (b) injury of any kind (including monetary, mental, or physical—including death) to any person (including your employees) or damages to any property of whatsoever kind and nature arising out of or in any manner connected with the Franchised Business;
- (c) your taxes, liabilities, costs or expenses of your Business;
- (d) losses, claims or damages incurred by persons, other than you, due to errors or omissions contained in financial statements prepared by you pursuant to Section 5.8 hereof, even if caused by the negligence of you, your employees, agents, contractors, or others for whom you are, in law, responsible;
- (e) any act, omission, or claims of your employees, agents, servants, contractors or others for whom you are, in law, responsible; and
- (f) the Franchised Business and your operation thereof, including, but in no way limited to, losses and expenses arising as a result of product liability or the maintenance and operation of vehicles.

It is expressly understood and agreed that the indemnity contained in this Section covers claims by your employees, as well as any liability or claims arising from labor and employment law violations, and that you expressly waive any defense to this indemnification obligation which may arise under the workers' compensation laws of any State.

For the purpose of this Section 20.3, the term “**losses and expenses**” will be deemed to include damages (including compensatory, exemplary, and punitive damages); demands; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. Under no circumstances will we be required or obligated to seek recovery from third parties or otherwise mitigate our losses in order to maintain a claim under this provision, and our failure to seek such recovery or mitigate our loss will in no way reduce the amounts of recovery by us under this provision.

You must notify us immediately of any event you are aware for which indemnification is required. Under this Section 20.3, we will have the right, but not the obligation, to: (i) choose counsel; (ii) direct and control the handling of the matter; and (iii) settle any claim against the indemnified parties. Our assumption by us will not modify your indemnification obligation. We may, in our sole and absolute discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any event resulting in losses and expenses under this Section 20.3 or take other remedial or corrective actions with respect thereof as may be, in our sole and absolute discretion, necessary for the protection of the indemnified parties or the System.

This Section 5.26 will survive the expiration or termination of this Agreement and applies to all losses and expenses even if they exceed the limits of your insurance coverage.

ARTICLE 21

DISPUTE RESOLUTION

21.1 Mandatory Binding Arbitration

All disputes, claims, and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the

inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Texas under the authority of Texas Statutes. The arbitrator(s) will have a minimum of five (5) ~~years~~^{years} experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the Texas Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Texas Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section 21.1 will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement. Arbitration will be conducted on an individual, and not a class-wide, basis and an arbitration proceeding between the parties and their respective owners, officers, directors, agents, guarantors, representatives, and/or employees may not be consolidated with any other arbitration proceeding between us and any other person or entity.

Notwithstanding the foregoing, we have the right to apply to any court of competent jurisdiction, in lieu of arbitration to enforce our right to indemnification. The parties each also have the right to apply to any court of competent jurisdiction, in lieu of arbitration, for any Disputes where injunctive or other extraordinary relief is being sought. You and your owners irrevocably consent to the personal jurisdiction of the state and federal courts located in the county in which we maintain our principal place of business for the purpose of this Section.

21.2 Litigation

With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your owners hereby irrevocably submit yourselves to the jurisdiction of the state courts of Bexar County, Texas and the federal district court for the District Court located nearest to our headquarters. You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Texas or federal law. You and your owners further agree that venue for any proceeding relating to or arising out of this agreement shall be Bexar County, Texas; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any state or federal district court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Texas law.

21.3 Forum and Applicable Law

You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 21.2 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated for in good faith and are part of the benefit of the bargain reflected by this Agreement.

21.4 Execution of Agreement

You, your owners and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Bexar County, Texas, and further acknowledge that the performance of

certain obligations of yours arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain of our training requirements, shall occur in Bexar County, Texas.

21.5 Waiver of Punitive Damages

You and your owners hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against us, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, you and your owners shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

21.6 Costs and Attorneys' Fees

In the event any party is required to employ legal counsel or to incur other reasonable expenses to enforce any obligation of another party hereunder, or to defend against any claim, demand, action, or proceeding by reason of another party's failure to perform any obligation imposed upon such party by this Agreement, and provided that legal action is filed by or against the first party and such action or the settlement thereof establishes the other party's default hereunder, then the prevailing party shall be entitled to recover from the other party the amount of all reasonable attorneys' fees of such counsel and all other expenses reasonably incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter. Nothing contained in this Paragraph shall relate to arbitration proceedings pursuant to this Agreement.

21.7 Validity and Execution

This Agreement will become valid when executed and accepted by us at our headquarters.

21.8 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both parties.

21.9 Construction

Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Except where this Agreement expressly provides otherwise, we have the right to condition, withhold and/or refuse, in our sole and absolute discretion, any request by you, and our approval of, or consent to, any action or omission by you. The headings of the several articles and sections hereof are for convenience only and do not define, limit, or construe the contents of such articles or sections. The term "attorneys' fees" will include, without limitation, legal fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand or claim, action, hearing or proceeding to enforce the obligations of this Agreement. References to a "controlling interest" in you will mean more than fifty percent (50%) of the voting control of you, if you are a corporation or limited liability company, and any general partnership interest, if you are a partnership. The term "Franchisee" as used herein is applicable to one or more persons, a corporation or a partnership, as the case may be. The singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time the Franchisee hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us will be joint and several. This Agreement will be executed

in multiple copies, each of which will be deemed an original. Each of the provisions of this Article 21 shall apply to any claim brought (or which could be brought) by any principal of yours or by you or on your behalf.

21.10 Governing Law

All matters relating to arbitration shall be governed by the Federal Arbitration Act. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of Texas, without regard for its conflicts of laws principles.

ARTICLE 22

TECHNOLOGY

22.1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system:

22.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Caring Senior Service Businesses, including without limitation: (a) back office systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Caring Senior Service Businesses, between or among Businesses, and between and among the Franchised Business and us and/or you; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; and (e) internet access mode and speed (collectively, the “Computer System”).

22.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System (collectively, the “Required Software”), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

22.1.3 You shall make such upgrades and other changes to the Computer System and Required Software as we request in writing (collectively, “Computer Upgrades”).

22.1.4 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

22.2 Data

We may, from time-to-time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Business, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Business, and all data created or collected by you in connection with the System, or in connection with your operation of the Business (including without limitation data pertaining to or otherwise concerning the Business’s clients) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

22.3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding clients or other individuals (“Privacy”), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

22.4 Telecommunications

You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

22.5 Extranet

We may establish a website providing private and secure communications between us, you, franchisees, multi-unit operators and other persons and entities as determined by us, in our sole discretion (an “Extranet”). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of the Business. The Extranet may include, without limitation, the Manuals, training or other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Extranet.

22.6 On-line Use of Proprietary Marks

You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

22.7 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

22.8 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Article 22 were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

ARTICLE 23
SECURITY INTEREST

23.1 Collateral

You grant to us a security interest (“Security Interest”) in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Business. All items in which a security interest is granted are referred to as the “Collateral”.

23.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the “Indebtedness”):

23.2.1 All amounts due under this Agreement or otherwise by you;

23.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

23.2.3 All expenses, including reasonable attorneys’ fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

23.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

23.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

23.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

23.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Texas (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

23.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or

subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

ARTICLE 24

GENERAL

24.1 Rights Cumulative

No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall such right or remedy be deemed to be, exclusive of any other right or remedy herein or by law or equity provided or permitted and each shall be cumulative of every other right or remedy.

24.2 Entire Agreement and Amendments

This Agreement and Exhibits hereto and any documents incorporated by reference herein contain the entire understanding and agreement of the parties hereto concerning the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof, whether oral or written; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except as provided herein, you acknowledge and agree that there are no warranties, representations, statements, promises or inducements, express or implied, or collateral, whether oral or written, about this Agreement by us or our officers, directors, shareholders, employees or agents that are contrary to the terms of this Agreement or the documents referred to herein. No amendment or other modification to this Agreement shall be valid or binding upon the parties unless the same is in writing.

24.3 Non-Waiver

No waiver by us of any breach, failure or default in performance by you and no failure, refusal or neglect of ours to exercise any right hereunder or to insist upon strict compliance with or performance by you of your obligations hereunder shall constitute a waiver of the provisions of this Agreement with respect to any subsequent breach, failure or default and shall not constitute a waiver by us of our rights at any time or thereafter to require strict compliance with the provisions hereof.

24.4 Invalid Provisions; Substitution of Valid Provisions

As stated earlier in this Agreement in Article 15, if any provision of this Agreement relating to the payment of fees to us, to non-competition during the term of this Agreement, or to the preservation of any of the Proprietary Marks or confidential information disclosed pursuant to this Agreement is declared invalid or unenforceable, and if, as a result, we believe in our sole opinion that the continuation of this Agreement would not be in the best interests of the System, we have the right to terminate this Agreement on written notice to you. If any state or federal law requires renewal of this Agreement, you agree to enter into our then-current form of Franchise Agreement. To the extent that any restrictive covenant contained in this Agreement is deemed unenforceable because of its scope in terms of area, business activity prohibited, or length of time, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it.

If any lawful requirement or court order of any jurisdiction (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or (2) makes any provision of this Agreement or any specification, standard or operating procedures prescribed by us invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

24.5 Notice

All notices, consents, approvals, statements, authorizations, documents, or other communications required or permitted to be given hereunder shall be in writing, and may be delivered personally or mailed by registered mail, postage prepaid, or transmitted by facsimile or other form of electronic communication tested prior to transmission to the said parties at their respective addresses set forth hereunder, namely:

To Franchisor: Caring Senior Service Franchise Partnership, L.P.
201 East Park Avenue, #201
San Antonio, Texas 78212
Fax: (210) 227-6569

With a copy to: Maral M. Kilejian, Esq.
24252801 N. Central Expwy., Harwood Street, Suite 2002300
Richardson Dallas, Texas 7508075201
Fax: (972) 931-0124214) 200-0840

To the Franchisee at: _____

Fax: _____

or at any such other address or addresses as the party to whom such notice, consent, approval, statement, authorization, documentation or other communication is to be given may designate by notice in writing so given to the other parties hereto as provided hereinbefore. Any notices, consents, approvals, statements, authorizations, documents or other communications, if mailed, shall be deemed to have been given on the fifth (5th) business day (except Saturdays and Sundays) following such mailing, or, if delivered personally or transmitted by facsimile or other form of electronic communication, shall be deemed to have been given on the day of delivery or transmission (as the case may be), if a business day, or if not a business day, on the business day next following the day of delivery or transmission (as the case may be).

24.6 Impossibility of Performance

Notwithstanding anything to the contrary contained in this Agreement, if either party hereto is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labor troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, acts of God or other reasons beyond the control of such party, whether all of a like nature or not, which is not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then the performance of such term, covenant or act is excused for the period of the delay and the party so delayed shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section 24.6. shall not in any way operate to excuse you from the prompt payment of any fees, royalties or other sums required to be paid to us or our affiliates by the terms of this Agreement, or from the prompt performance of any of your other obligations hereunder where such prompt performance is delayed, hindered or prevented by reason of lack of funds.

24.7 Enforcement

You acknowledge that your failure to comply herewith could cause us irreparable harm which may not be compensable by way of damages, and, therefore, we shall be entitled to apply to a court of competent jurisdiction to have ourselves appointed as the receiver of your business and to obtain (without bond) declarations, temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to your use of the Proprietary Marks, relating to your obligations upon termination or expiration of this Agreement, and relating to assignment of the franchise hereunder

and ownership interests in you, and to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, by-law or regulation, is dishonest or misleading to your clients or prospective clients, or constitutes a danger to employees, clients, or to the public, or which may impair the goodwill associated with the Proprietary Marks. If we secure any such injunction, declaration or order of specific performance, you agree to pay to us any damages incurred by us as a result of your breach of any provision, our full attorneys' costs and all expenses we may have incurred to enforce this Agreement (including a reasonable allowance for our employees' time spent).

24.8 You May Not Withhold Payments

You agree that you will not, on grounds of an alleged non-performance by us of any of our obligations or for any other reason, withhold payment of any amount due whatsoever to us or our affiliates. No endorsement or statement on any check or payment of any sum less than the full sum due to us shall be construed as an acknowledgment of payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy provided herein or by law. We may apply any payments made by you as we may see fit. We may set off against any payment due by you to us, and may, at our option, pay your trade creditors.

24.9 Personal Guaranty

If you are an entity, each of your owners must execute the attached "Continuing Guaranty" attached as Exhibit F (the "Guaranty"). By executing the Guaranty, each owner will be individually bound by the provisions stated in this Agreement. A violation of any provision in this Agreement by any owner will constitute a violation of your obligations under this Agreement. The individuals executing this Agreement under the Guaranty represent that they are your sole owners. The term "owner" in this Agreement includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of a trust. If any owner required to sign a Guaranty is a business entity, then each of owner and parent in such owner's chain of ownership will execute the Guaranty; it being the intent of the parties that each entity and natural person holding a beneficial interest in the franchise, either directly or indirectly through one or more business entities, be considered an "owner" under this Agreement.

24.10 Changes and Modifications

You understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions or alterations.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, you expressly waive any claims, demands or damages

arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

24.11 Compliance With Anti-Terrorism Laws

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean 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 other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Article 13 above.

24.12 Acknowledgments

YOU ACKNOWLEDGE THAT YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS FRANCHISED HEREUNDER, AND RECOGNIZE THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ, AND UNDERSTOOD THIS AGREEMENT, INCLUDING THE EXHIBITS HERETO; THAT WE HAVE FULLY AND ADEQUATELY EXPLAINED THE PROVISIONS OF EACH TO YOUR SATISFACTION; AND THAT WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED “DISCLOSURE REQUIREMENT AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES” AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

YOU ARE AWARE OF THE FACT THAT SOME FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND, CONSEQUENTLY, THAT OUR OBLIGATIONS AND RIGHTS IN RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

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

**CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.**

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

If an Individual:

Signature: _____
Printed Name: _____

If other than an Individual:

[insert Business Entity name]

By: _____
Name: _____
Title: _____

EXHIBIT A TO FRANCHISE AGREEMENT

INITIAL FRANCHISE FEE

The Initial Franchise Fee of \$45,000 in Section 5.1 of the foregoing Franchise Agreement is amended in order to apply Franchisor's:

- Vet-Fran veteran's discount of 20% off of the Initial Franchise Fee for a total Initial Franchise Fee due of \$36,000; or
- Multi-Territory discount of ___% off of the Initial Franchise Fee for your [*number, i.e. 4th*] Territory for a total Initial Franchise Fee of \$_____; or
- No discount applies.

FRANCHISEE:

If an Individual:

Signature: _____

Printed Name: _____

If other than an Individual:

[insert Business Entity name]

By: _____

Name: _____

Title: _____

**CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.**

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A TO FRANCHISE AGREEMENT (CONT'D)

**LOCATION ACCEPTANCE STATEMENT
AND PROTECTED TERRITORY**

The location of the Franchise which relates to the foregoing Franchise Agreement dated _____, 20__ between Caring Senior Service Franchise Partnership, L.P. (“Franchisor”) and _____ (“Franchisee”) shall be:

Street Address

City State Zip Code

The Protected Territory for the Franchise shall be:

The undersigned Franchisee acknowledges that it has made a thorough investigation and analysis of the site for its Business and of the Protected Territory of the franchise described on the attached map and zip code sheet and it hereby approves the same.

FRANCHISEE:

If an Individual:

Signature: _____

Printed Name: _____

If other than an Individual:

[insert Business Entity name]

By: _____

Name: _____

Title: _____

**CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.**

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT B TO FRANCHISE AGREEMENT

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into _____, 20__ (the “Effective Date”), by and between Caring Senior Service Franchise Partnership, L.P., a Texas limited partnership (hereinafter the “Franchisor”), and _____, a _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Caring Senior Service Franchise Agreement (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 **Interest in Telephone Numbers and Listings.** Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Telephone Numbers and Listings”) related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 **Transfer.** On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 **Appointment; Power of Attorney.** Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee’s obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Texas, without regard to the application of Texas conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:

CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

If an Individual:

Signature: _____
Printed Name: _____

If other than an Individual:

[insert Business Entity name]

By: _____
Name: _____
Title: _____

EXHIBIT C TO FRANCHISE AGREEMENT

POWER OF ATTORNEY (TAXES)

Taxes

IRREVOCABLE POWER OF ATTORNEY

STATE OF _____)
)
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS

That _____, a _____ (“Franchisee”), does hereby irrevocably constitute and appoint Caring Senior Service Franchise Partnership, L.P., a Texas limited partnership (“Franchisor”), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including, but not limited to, the State Comptroller of the State of _____, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor. Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated _____, 20__ by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of _____ and the laws of the State of _____ shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

[Signature Page Follows]

|

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney _____ ,
20__.

FRANCHISEE

If an Individual:

Signature: _____

Printed Name: _____

If other than an Individual:

[insert Business Entity name]

By: _____

Name: _____

Title: _____

EXHIBIT D TO FRANCHISE AGREEMENT

**TRANSFER OF FRANCHISE TO A
CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement hereby amends that certain Franchise Agreement dated _____, 20__ between Caring Senior Service Franchise Partnership, L.P. (“Franchisor”) and _____ (“Franchisee”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below and the Franchisee of the Caring Senior Service Business under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting it a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation, or Limited Liability Company in accordance with the provisions of Article 16 of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 15 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and Caring Senior Service Franchise Partnership, L.P.”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and Caring Senior Service Franchise Partnership, L.P.”

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Business.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Caring Senior Service Franchise Partnership, L.P., to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: _____

Location of Business: _____

As to Paragraph 3:

Name:

As to Paragraph 4:

Name:

Name of Corp. or Limited Liability Company

By: _____ (SEAL)
Title: _____

In consideration of the execution of the above Agreement, Caring Senior Service Franchise Partnership, L.P. hereby consents to the above referred to assignment on this _____ day of _____, 20__.

CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT E TO FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
**(for trained employees, shareholders, officers, directors,
general partners, members and managers of Franchisee)**

In consideration of my being a _____ of _____, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), _____ (the “Franchisee”), has acquired the right and franchise from Caring Senior Service Franchise Partnership, L.P. (the “Company”) to establish and operate a Caring Senior Service business (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and approved location: _____ (the “Approved Location”).

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses, which provide non-medical assistance to the elderly and to disabled or infirm adults at their homes and places of residence. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes all trade secrets, method of operations, and other elements of the System, as well as all client information, all information contained in the Manual, financial information, marketing programs and data, vendor and supplier information, all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised by virtue of your operation of the Business under the Franchise Agreement, and all other information that we designate as confidential (collectively, "Confidential Information"). .

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s Confidential Operations Manuals (the “Manuals”), and other general assistance during the term of the Franchise Agreement.

5. I will surrender any material containing some or all of the Confidential Information to Franchisee or the Company, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to me.

6. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

7. I shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without the Company’s express written permission.

8. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential

Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

9. I shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

10. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any business or e-commerce business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business where the sale of such products constitutes or is intended to constitute twenty percent (20%) or more of the gross sales of the business operated or intended to be operated (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

10.1 Franchisee's Protected Territory, as defined in the Franchise Agreement ("Franchisee's Territory");

10.2 Fifteen (15) miles of Franchisee's Protected Territory; or

10.3 the territory and surrounding fifteen (15) mile area of any Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 10 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

11. In order to protect the goodwill and unique qualities of the System and the Confidential Information, and in consideration for the disclosure to me of the Confidential Information, I agree and covenant:

11.1 Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or client of the Franchised Business to any competitor; and

11.2 Not to employ, or seek to employ, any person who is at the time or was within the preceding one hundred eighty (180) days employed by the Company, any of its affiliates, or any Franchisee of the Company, or otherwise directly or indirectly induce such person to leave that person's employment except as may occur in connection with Franchisee's employment of such person if permitted under the Franchise Agreement.

12. In further consideration for the disclosure to me of the Confidential Information and to protect the uniqueness of the System, I agree and covenant that for two (2) years following the earlier of the expiration, termination, or transfer of all Franchisee's interest in the Franchise Agreement or the termination of my association with or employment by Franchisee, I will not without the prior written consent of the Company:

12.1 Divert or attempt to divert, directly or indirectly, any business, business opportunity, or client of the Franchised Business to any competitor; and

12.2 Employ, or seek to employ, any person who is at the time or was within the preceding one hundred eighty (180) days employed by the Company, any of its affiliates, or any Franchisee of the Company, or otherwise directly or indirectly induce such persons to leave that person's employment.

13. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

14. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

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

16. The rights and remedies of the Company under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor, and assigns. The respective obligations of Franchisee and I hereunder may not be assigned by Franchisee or I without the prior written consent of the Company.

[Signature Page Follows]

17. This Agreement shall be construed under the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT F TO FRANCHISE AGREEMENT

CONTINUING GUARANTY

(To be used to guaranty the obligations of a corporate or limited liability company franchisee
or to guaranty the obligations of a franchisee other than the guarantor)

_____ (hereinafter referred to as “Guarantor”) whose address is _____, as a material inducement to and in consideration for CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P. (hereinafter referred to as “Franchisor”) entering into a Franchise Agreement (the “Franchise Agreement”) and, if applicable, the Promissory Note with _____ (hereinafter referred to as “Franchisee”), dated _____, 20____, unconditionally guarantees and promises to and for the benefit of Franchisor that Franchisee shall perform faithfully and completely all of the provisions, obligations and duties that Franchisee has agreed to perform under the Franchise Agreement and/or any other obligations undertaken or to be undertaken by Franchisee in favor of Franchisor or Franchisor’s parent, subsidiary, or affiliated corporation, corporations, individuals or other entities.

If Guarantor is more than one (1) person, Guarantor’s obligations are joint and several. Guarantor’s obligations are also independent of Franchisee’s obligations. A separate action may be brought or prosecuted against any Guarantor whether or not the action is brought or prosecuted against any other Guarantor or against Franchisee, or any or all of them, or whether any other Guarantor or Franchisee is or are jointed in the action.

Guarantor waives the benefit of any statute of limitations or other provision of law which in any way affects or limits Guarantor’s liability under this Guaranty.

The provisions of the Franchise Agreement or other obligation involving Franchisee may be changed between Franchisor or other concerned party or entity and Franchisee at any time and in any manner, either by written or oral agreement, by operation of law, by course of conduct, or otherwise, without the consent of or notice to Guarantor. This Guaranty shall continue to guaranty the performance of Franchisee under the Franchise Agreement and/or other obligation as so modified without further agreement or act of Guarantor being required.

Assignment by Franchisee or by Franchisor of the Franchise Agreement or other obligation as permitted in that Agreement or other obligation shall not affect this Guaranty and the obligations of Guarantor hereunder shall carry over to the transferee of either party to the Franchise Agreement or other obligation.

This Guaranty shall not be affected nor the obligations of Guarantor hereunder limited in any way by Franchisor’s delay in enforcement or failure to enforce any of its rights under the Franchise Agreement, other guaranteed obligation, or under this Guaranty.

If Franchisee commits a breach of the Franchise Agreement, or other guaranteed obligation, Franchisor can proceed immediately against Guarantor or Franchisee, or both, or Franchisor can enforce against Guarantor or Franchisee, or both, any rights which it has under the Franchise Agreement, other obligation, or pursuant to applicable law, or both. If the Franchise Agreement or other obligation terminates, Franchisor can enforce any rights it has following such termination against Guarantor, Franchisee, or both, without giving prior notice to Guarantor, Franchisee, or either, and/or without making demand on Guarantor, Franchisee, or either.

Guarantor waives the right to require Franchisor to proceed against Franchisee before proceeding against Guarantor, to proceed against or exhaust any security that Franchisor holds from Franchisee, Guarantor, or any other source, and/or to pursue any other remedy available to Franchisor prior to proceeding against Guarantor, Franchisee, or either. Guarantor further waives any defense available to

Guarantor, Franchisee, or either, by reason of any disability of Franchisee, and further waives any other defense based on the termination or limitation of Franchisee's liability by reason of any cause, event, term or condition, including any defense or limitation available by operation of law.

Until all of Franchisee's obligations to Franchisor have been satisfied and discharged in full, Guarantor waives any right of subrogation against Franchisee. Guarantor waives any right it may have to enforce any remedies that Franchisor may now have against Franchisee, or may have at a later time. Guarantor further waives all presentments, protests, demands of any type, notices of any type, including notices of protest, notices of dishonor, and notices of acceptance of this Guaranty. Guarantor waives the foregoing as to present and/or future obligations and specifically waives any and all notices of the existence, creation or inurrence of any new or additional obligations of Franchisee to Franchisor.

If Franchisor is required, in its discretion, to enforce Guarantor's obligations under this Guaranty by legal proceedings, and/or by the employment of an attorney, or is required to take any other or additional collection or other action to enforce its rights hereunder, Guarantor agrees to pay to Franchisor all costs incurred by Franchisor in such proceedings, action and/or employment, including court costs, costs of suit, and attorneys' fees.

This Guaranty shall be binding upon Guarantor, and each and all of them, if more than one (1), and upon his, her, its or their successors, representatives and assigns.

Executed on _____, 20__.

Signature

Signature

Typed or Printed Name

Typed or Printed Name

EXHIBIT G TO FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA

CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.
CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 *et seq.* (“CFIL”), and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* (the “CRA”), Caring Senior Service Franchise Partnership, L.P. (“Franchisor”) and _____ (“You”), hereby amend the Franchise Agreement between them dated _____, 20__ (the “Agreement”) as follows:

1. Sections 20000 through 20043 of the CRA provide rights to you concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to You concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

2. The franchise agreement requires you to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 2000 through 20043).

3. Section 5.1 is deleted in its entirety and replaced with the following:

“Payment of the initial franchise fee will be deferred until after our initial obligations are complete. This financial assurance requirement was imposed by the California Department of Financial Protection and Innovation due to our financial condition.”

4. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

5. If the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

6. If the Agreement requires litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may unenforceable under California law.

7. If the Agreement requires that it be governed by a state’s law other than the State of California, such requirement may be unenforceable.

8. 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.

9. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of California law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

10. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, Franchisor reserves the right to challenge the enforceability of the state law.

11. All other provisions of the Agreement are hereby ratified and confirmed.

[the signature page follows]

IN WITNESS WHEREOF, the parties acknowledge that they have read and understand the contents of this Amendment, that they have had the opportunity to obtain the advice of counsel. Intending to be legally bound, the parties have duly executed and delivered this Amendment on _____, 20__.

**CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.**

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.
ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Illinois law, including the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/1 et seq. (West 2016) (the “Illinois Franchise Act”), Caring Senior Service Franchise Partnership, L.P. (“Franchisor”) and _____ (“Franchisee”), hereby amend the Franchise Agreement between them dated _____, 20__ (the “Franchise Agreement”) as follows:

1. Section 705/19 and 705/20 of the Illinois Franchise Act provides rights to franchisees concerning nonrenewal and termination of a franchise.

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

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

3. Section 5.1 is deleted in its entirety and replaced with the following:

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

4. Illinois law governs the Franchise Agreement(s).

5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Illinois law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

6. The Home Health, Home Services, and Home Nursing Agency Code is set forth in the Illinois Administrative Code at: 77 Ill. Adm. Code 245 (2015)

See: <http://www.dph.illinois.gov/topics-services/health-care-regulation/facilities/home-health> for info on Home Health state certification and licensure requirements, costs and process.

See: <http://www.dph.illinois.gov/topics-services2fhealth-care-regulation2fhealth-care-regulation2ffacilities2fhospice%23laws-rules-laws-rules-hospice> for Hospice info, regulations and process.

7. 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.

8. All other provisions of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:
Caring Senior Service Franchise Partnership, L.P.

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.
MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Minnesota law, Caring Senior Service Franchise Partnership, L.P. (“Franchisor”) and _____ (“Franchisee”), hereby amend the Franchise Agreement between them dated _____, 20__ (the “Franchise Agreement”) as follows:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

3. Section 5.1 is deleted in its entirety and replaced with the following:

The State of Minnesota has imposed a financial condition under which the initial fee due under your Franchise Agreement, including the consideration due for each option under your Development Addendum, if applicable, will be deferred until the first franchise location is open for business.

4. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g). The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

5. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

7. Sec. 80C.17, Sub. 5 of the Minnesota Franchises Act provides that no action may be commenced thereunder more than 3 years after the cause of action accrues.

8. 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.

9. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Minnesota law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

[Signature Page Follows]

10. All other provisions of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:
Caring Senior Service Franchise Partnership, L.P.

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.
VIRGINIA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Virginia law, Caring Senior Service Franchise Partnership, L.P. (“Franchisor”) and _____ (“Franchisee”), hereby amend the Franchise Agreement between them dated _____, 20__ (the “Franchise Agreement”) as follows:

1. Under Section 13.1-564 of the Virginia Retail Franchising Act, (the “Act”), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause”, as that term may be defined in the Act or the laws of Virginia, that provision may not be enforceable.

2. In the event of any conflict between the terms of this Amendment and the terms of the Franchise Agreement, the terms of this Amendment shall prevail.

3. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

a. Development Addendum. In the event you also enter into our Development Addendum to the Franchise Agreement, the following will apply:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the development fee owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

4. 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.

5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Virginia law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

6. All other provisions of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:
Caring Senior Service Franchise Partnership, L.P.

FRANCHISEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT H TO FRANCHISE AGREEMENT

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO**

CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P./PAYEE

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, “debits”) drawn on such account which are payable to the above named Payee. It is agreed that Depository’s rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor’s own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository’s or Payee’s participation therein.

Name of Depository (Bank): _____

Name of Depositor: _____

Account Number: _____

Routing Number: _____

FEIN Number: _____

(Please attach one voided check for the above account.)

Individual Contact Name: _____

Address: _____

Phone #: _____

Name of Franchisee/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

EXHIBIT I TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets over to Caring Senior Service Franchise Partnership, L.P., a Texas limited partnership (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease.

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

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Caring Senior Service Business between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:

ASSIGNOR:

CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

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

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor’s delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor’s defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant’s obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Business.

Dated: _____

_____, Lessor

EXHIBIT J TO FRANCHISE AGREEMENT

SERVICES AND RELEASE AGREEMENT

This Services and Release Agreement (“**Agreement**”) is made and entered into on _____, 20____ by and between Caring Senior Service Franchise Partnership, L.P., a Texas limited partnership (“**Franchisor**”), and _____, a(n) _____ (“**Franchisee**”).

BACKGROUND

- A. Simultaneously with the execution of this Agreement, Franchisee is entering into a franchise agreement (“**Franchise Agreement**”) under which Franchisor is granting to Franchisee the right and obligation to open and operate a business providing non-medical assistance to the elderly and to disabled or infirm adults at their homes or places of residence under the CARING SENIOR SERVICE® trademarks and system (“**Franchised Business**”).
- B. In connection with the operation of the Franchised Business, Franchisee has requested that Franchisor provide, and Franchisor has agreed to provide, certain documentation, human resources, and payroll services.
- C. Acknowledging, however, that Franchisor is under no contractual obligation under the Franchise Agreement to provide such services, and to induce Franchisor to offer such assistance to Franchisee, Franchisee agrees to the terms and provisions of this Agreement.

AGREEMENT

Now, therefore, for and in consideration of the premises and the mutual covenants and obligations of Franchisor and Franchisee more particularly set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- Forms Provided to Franchisee. From time to time, Franchisor may provide Franchisee with such forms and documentation that Franchisee can adapt for Franchisee’s use in connection with the operation of the Franchised Business (“**Forms**”). Such forms may be related to employment or client matters or other such matters as Franchisor deems advisable in its sole discretion. Franchisor makes no representation or warranty as to the enforceability of any such form, whether any such form meets the legal requirements of the jurisdiction in which Franchisee does business, and Franchisee acknowledges that it is Franchisee’s responsibility to modify such form to meet all laws and regulations applicable in the area in which Franchisee operates the Franchised Business and to use no form in its business that does not comply with applicable law. Franchisee shall have all such forms provided to it by Franchisor reviewed by its legal counsel, and revised to conform such form to applicable law. Franchisee further agrees to submit to Franchisor as soon as practicable all forms revised pursuant to this Section.
- Human Resource Services. Franchisee acknowledges and agrees that Franchisee’s CARING SENIOR SERVICE® Franchised Business is independently owned and operated by Franchisee, and any references to Franchisor (whether referred to as Caring Senior Service, our, us, we, the Company, or otherwise) when providing Franchisee certain human resources and/or employment training or services means that these are Franchisor’s practices. It does not mean that they are Franchisee’s or system franchisees’ practices, nor are they required to be. Even though Franchisor may provide Franchisee general information related to Franchisee employment decisions, Franchisee is the employer, and Franchisee will, at all times, have sole responsibility for making all employment-related decisions.

Franchisee acknowledges and agrees that the human resources and/or employment training services that Franchisor provides are only examples and ideas which Franchisee may use when developing Franchisee’s own policies, and Franchisor makes no assurances or representations that the information Franchisor provides Franchisee complies with Franchisee’s state’s laws. Franchisee also understand that Franchisor has no obligation to provide Franchisee updates regarding changes in any labor or employment laws; and

that it is Franchisee's sole responsibility to make sure that Franchisee's employment and employee-related policies and practices are compliant with all state and federal laws.

Franchisee acknowledges and agrees that Franchisee will do all of the following:

- a) Post a notice at Franchisee's Franchised Business location that states the name of Franchisee's entity and that clearly states that Franchisee is independently owned and operated.
- b) Ensure that all forms used by Franchisee in connection with the Franchised Business also include the name of Franchisee's entity and that each form clearly states that Franchisee is independently owned and operated.
- c) Include in Franchisee's orientation or new-hire information a statement that says, "[Employee Name] are employee of [Name of Franchisee's Entity]. [Employee Name] is not an employee of Caring Senior Service Franchise Partnership, L.P." (This information can be included in the employee handbook. The handbook must have an acknowledgment page that is signed by the employee.)
- d) Review W-2 forms filled out by employees to ensure that employees list the name of Franchisee's entity as the employer, not Franchisor.
- e) List the name of Franchisee's entity, and not Franchisor's, on Franchisee's checks, whether payroll or otherwise.

Franchisor may also elect to provide human resource services to Franchisee in addition to any training or suggested practices, including, but not limited to, assisting and aiding Franchisee to solicit and advertise for employees and interviewing potential employees (collectively "**Human Resource Services**"). Franchisee understands that all human resources activities are Franchisee's responsibility, and Franchisor has no contractual obligation to provide Human Resource Services. If, however, Franchisee requests that Franchisor assist in the provision of Human Resource Services, Franchisee agrees to release and indemnify Franchisor pursuant to Sections 3 and 5 and covenants not to sue Franchisor pursuant to Section 4 of this Agreement in return for such Human Resource Services.

3. Release. Franchisee and those individuals who have personally guaranteed Franchisee's obligations under the Franchise Agreement ("**Guarantors**"), for themselves and for all persons and entities claiming by, through, or under them, hereby release, acquit, and forever discharge Franchisor, its general partner, and its affiliates, and their respective partners, officers, directors, members, agents, representatives, affiliates, successors, assigns, and employees (the "**Franchisor Released Parties**") from all claims whatsoever, whether known or unknown, vested or contingent, direct or indirect, which Franchisee and/or Guarantors have, had, or will in the future have (in their individual capacities and collectively) against the Franchisor Released Parties, or any of them, including, but in no way limited to, claims arising out of or relating to Franchisee's breach of any covenants and agreements under this Agreement; the provision, use, or misuse of the Forms; or Franchisor's provision of any Human Resource Services.

4. Covenant Not to Sue. Franchisee and Guarantors hereby covenant and agree that neither Franchisee nor Guarantor shall commence, maintain, or prosecute any suit against Franchisor Released Parties for claims arising out of or relating to Franchisee's breach of any covenants and agreements under this Agreement; the provision, use, or misuse of the Forms; or Franchisor's provision of any Human Resource Services.

5. Indemnification of Franchisor. The parties acknowledge and agree that Franchisor is under no contractual obligations to provide Franchisee with Forms or Human Resource Services, therefore, should Franchisee accept, request, or use the same from Franchisor, Franchisee and Guarantors agree to, at all times, indemnify and hold the Franchisor Released Parties harmless, to the fullest extent permitted by law, from all losses and expenses (hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon the transactions

contemplated by this Agreement. As used herein, the phrase “**losses and expenses**” shall include, without limitation, all losses, compensatory or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorney’s fees, court costs, settlement amounts, judgments, compensation for damages to Franchisor’s reputation and goodwill, and other such amounts incurred in connection with Franchisee’s breach of any covenants and agreements under this Agreement; the provision, use, or misuse of the Forms; or Franchisor’s provision of any Human Resource Services.

6. Governing Law; Venue and Jurisdiction; Limitation of Liability. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws. The parties agree that: 1) any action arising out of or relating to this Agreement will be filed exclusively in the federal or state courts located in the county where Franchisor maintains its headquarters and Franchisee and Guarantors submit to the personal jurisdiction of such courts for the purpose of litigating any such action, and any right to a trial by jury is hereby waived; 2) any and all disputes, claims, and causes of action arising out of or connected to this Agreement will be resolved individually, without resort to any form of class action; and 3) under no circumstances will Franchisee and Guarantors be permitted, and Franchisee and Guarantors hereby waive all rights, to: a) claim punitive, exemplary, special, incidental, and consequential damages and any other damages (whether due to negligence or otherwise), other than for actual out-of-pocket costs; and b) have damages multiplied or otherwise increased.

7. Enforceability. In case of any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

8. Notices. Any notices required or permitted to be given hereunder shall be in writing and shall be delivered personally or sent certified mail, return receipt requested, postage prepaid, at the addresses set forth below, and such notice shall be deemed made when deposited into the U.S. mail.

Notices to Franchisor: ATTN: Ian Klaes, Vice President
 Caring Senior Service Franchise Partnership, L.P.
 201 East Park Avenue, #201
 San Antonio, Texas 78212

Notices to Franchisee: ATTN: _____

9. Counterparts. This Agreement may be executed in any number of counterparts and by each of the parties on separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together constitute but one and the same instrument. A facsimile signature will constitute an original signature.

[Signature Page Follows]

Intending to be legally bound, the parties have executed this Agreement on _____, 20____.

FRANCHISEE

a _____

FRANCHISOR

Caring Senior Service Franchise Partnership, L.P.
a Texas limited partnership

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

GUARANTORS

_____, Individually

_____, Individually

EXHIBIT K TO FRANCHISE AGREEMENT

**CONVERSION ADDENDUM TO
CARING SENIOR SERVICE FRANCHISE AGREEMENT**

This Conversion Addendum to the Caring Senior Service Franchise Agreement (“**Addendum**”), dated as of the Effective Date of the Franchise Agreement (as hereinafter defined) is attached to and made a part of the Caring Senior Service Franchise Agreement (“**Franchise Agreement**”), by and between Caring Senior Service Franchise Partnership, L.P., a Texas limited liability company having its principal business offices located at 201 East Park Avenue, San Antonio, Texas 78212 and doing business as Caring Senior Service (“**Franchisor**”), and _____, a/an _____, having its principal business office located at _____ (“**Franchisee**” or “**you**”), for the purpose of modifying and amending the terms of such Franchise Agreement.

BACKGROUND

- A. Prior to the Effective Date, Franchisee operated an independent non-medical residential assistance and care business (“**Prior Business**”).
- B. As a special allowance for Franchisee to convert its Prior Business into a CARING SENIOR SERVICE franchised business and thereby join the Caring Senior Service System, Franchisor has offered Franchisee the financial incentives contained within this Addendum.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the agreements contained in this Addendum, Franchisor and Franchisee agree as follows:

1. All capitalized terms herein which are not separately defined herein shall have the meanings ascribed to such terms in the Franchise Agreement.
2. In the event of a conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.
3. Except as specifically modified by this Addendum, all terms of the Franchise Agreement are in full force and effect.
4. Franchisee represents and warrants to Franchisor that all balance sheets, income statements and other financial information that Franchisee furnished to Franchisor to determine the total gross revenue of Franchisee’s Prior Business derived from non-medical in home services during the twelve (12) months immediately preceding the Effective Date of the Franchise Agreement and this Addendum (“**Base Year Revenue Amount**”) are accurate and correct in all material respects. Franchisee acknowledges that Franchisor has relied upon such information as provided by Franchisee in determining Franchisee’s qualification for the incentive program evidenced by this Addendum.
5. Franchisee agrees that Franchisor may, upon request, examine the books and financial

records of Franchisee's Prior Business in addition to any other books and records that Caring Senior Service is entitled to examine in accordance with Section 5.10 of the Franchise Agreement.

6. The term "**Opening Date**" means the first day of the first full two-week period in which Royalty Fees are calculated in the System following Franchisee's completion of the initial training program set forth in Section 7.2 of the Agreement.

7. Section 5.1 of the Franchise Agreement is hereby deleted and replaced with the following:

"5.1- Initial Franchise Fee: In consideration of the grant of this franchise, you shall pay to us a non-recurring initial franchise fee for the franchise hereunder in an amount equal to Twenty Two Thousand and Five Hundred Dollars (\$22,500). The initial franchise fee shall be deemed to have been fully earned by us upon execution of this Agreement and is not refundable."

8. The first paragraph of Section 5.2 of the Franchise Agreement is hereby deleted and replaced with the following:

"5.2- Royalty Fee: As of the Effective Date, and continuing through the remainder of the Term and any renewal terms, you agree to pay us a non-refundable royalty ("**Royalty Fee**") equal to the amounts set forth below, payable every two (2) weeks as described in subparagraph (C) below:

(a) For all Gross Billings received during the first ____ two-week periods on and after the Opening Date, the Royalty Fee due shall be equal to the greater of the Minimum Royalty Fee and ____% of Franchisee's Gross Billings (as hereinafter defined).

(b) For all Gross Billings received during the ____ through the ____ two-week periods after the Opening Date, the Royalty Fee due shall be equal to the greater of the Minimum Royalty Fee and __% of Franchisee's Gross Billings.

(c) For all Gross Billings received during the ____ and subsequent two-week periods after the Opening Date, the Royalty Fee due shall be equal to the greater of the Minimum Royalty Fee and five percent (5%) of Franchisee's Gross Billings."

Based on the financial information that Franchisee provided to Franchisor-, Franchisee and Franchisor mutually agree that the Base Year Revenue Amount equals \$ _____ and that the Reduction Base Amount (1/12th of the Base Year Revenue Amount) equals \$ _____. If Franchisor determines that Franchisee has overstated the Base Year Revenue Amount by two percent (2%) or more, then, within 10 days after the receipt of notice from Franchisor, Franchisee shall pay to Franchisor an amount equal to the difference between the reduced Royalty Fee set forth in Section 8 of this Addendum and the original Royalty Fee set forth in Section 5.2 of the Franchise Agreement, and going forward the Royalty Fee shall revert back to the original amount set forth in Section 5.2 of the Franchise Agreement.

9. This Addendum, together with the Franchise Agreement to which it is attached, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be

further modified or amended except in a written agreement signed by both parties. The terms of this Addendum are non-transferrable.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum to be effective as of the Effective Date.

FRANCHISOR:

CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____
Name: _____
Title: _____

FRANCHISEE:

If an Individual:

Signature: _____
Printed Name: _____

If other than an Individual:

[insert Business Entity name]

By: _____
Name: _____
Title: _____

EXHIBIT L TO FRANCHISE AGREEMENT

**DEVELOPMENT ADDENDUM TO
CARING SENIOR SERVICE FRANCHISE AGREEMENT**

THIS DEVELOPMENT ADDENDUM TO FRANCHISE AGREEMENT (“**Addendum**”) is made effective as of the ___ day of _____, ~~2023~~2024 (“**Effective Date**”), by and between Caring Senior Service Franchise Partnership, L.P., a Texas limited partnership (“**Franchisor**”), and _____, a/an _____ (“**Franchisee**”).

BACKGROUND

A. Simultaneously with the execution of this Addendum, Franchisor and Franchisee are entering into a Franchise Agreement (“**Franchise Agreement**”), for the establishment and operation of a CARING SENIOR SERVICE franchised business within a defined geographic area (the “**Territory**”) identified in the Franchise Agreement as _____ (the “**Franchised Business**”).

B. Franchisee has now requested, and Franchisor has consented, to grant to Franchisee to the right to purchase additional territories pursuant to the terms and conditions reflected in this Addendum, which amends the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants, premises, and representations set forth below, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Capitalized terms have the meanings ascribed to them in the Franchise Agreement unless otherwise defined herein.
2. Development Fee. For and in consideration of the rights granted to Franchisee herein, Franchisee agrees to pay to Franchisor \$ _____, on the execution of this Addendum (the “**Development Fee**”). This amount is fully-earned on receipt and is non-refundable. \$20,000 of the Development Fee will be applied to the initial franchise fee due under each then-current form of franchise agreement executed for a Development Territory, if exercised by Franchisee and approved by Franchisor pursuant to the terms of this Addendum.
3. Development Territories. Attached to this Addendum as Attachment A, and incorporated herein by reference, are the [number] territories, each geographically defined by a series of ZIP Codes, which are the subject of this Addendum and for which Franchisee may exercise its development rights pursuant to the terms of this Addendum (collectively, “**Development Territories**”).
4. Development Rights; Expiration of Addendum. For a period of ___ months beginning on the Effective Date (calculated as 15 months for each Development Territory), unless terminated earlier pursuant to the terms of this Addendum (“**Term**”), Franchisee has the right to apply to Franchisor, at least once per 15-month period (each, a “**Development Period**”), for the purchase of any of the Development Territories as provided in this Addendum. This Addendum expires on the earlier of: (i) Franchisee’s execution of a franchise agreement with Franchisor for the opening of a CARING SENIOR SERVICE Franchised Business within each of the Development Territories identified in this Addendum; and (ii) any failure on the part of Franchisee to apply to the Franchisor and, thereafter, enter into a franchise agreement with Franchisor, for the development of a Development Territory during any Development Period or such Development Period’s Extension Period, if applicable.

During the Term of this Addendum, Franchisor agrees not to enter into a franchise agreement for the grant of the Development Territories unless it is with Franchisee or an entity controlled by Franchisee. The Term will not be extended by either of the two 30-day waiting periods provided for under Section 5.

5. Extension to Development Period. On written notice to us, which notice may be provided via email to our Chief Operating Officer, you have the right to extend each Development Period for a period of six months, provided, however, that each Development Period may only be extended by one period of six months (“**Extension Period**”). If written notice is not provided, and you have not executed a franchise agreement and opened an additional Franchised Business within a selected Development Territory by the end of any Development Period, this Addendum will expire per its terms.

6. Application to Exercise Development Rights and Process. To exercise its development rights, Franchisee will deliver to Franchisor written notice of its intent to purchase one or more of the Development Territories (the “**Exercise Notice**”). The Exercise Notice will identify the Development Territory(ies) for which Franchisee is choosing to exercise its development rights. Within 30 days after receipt of the Exercise Notice and any other information or executed agreements Franchisor may require, as set forth in Section 6 below, Franchisor will notify Franchisee in writing whether or not the Franchisee is approved to exercise its development rights. If approved, Franchisor will send to Franchisee Franchisor’s then-current Franchise Disclosure Document and an execution copy of its then-current franchise agreement for each Development Territory being purchased, which Franchisee must sign and deliver to Franchisor, with those exhibits and addendums agreed-to in this Addendum, and pay all applicable fees to Franchisor thereunder, within 30 days after its receipt. If the 30-day period expires and Franchisee has not executed all required agreements and paid the related initial amounts due, but Franchisee would still like to exercise its development rights, Franchisor may require that Franchisee repeat the approval process. If not approved, the rejection notice will be delivered to Franchisee in writing.

7. Conditions to Exercising Development Rights. Franchisor’s approval of Franchisee’s application to exercise its development rights as to any Development Territory is subject to the following conditions precedent:

- 6.1 Franchisee, its Owners, and its affiliates are in compliance with the Franchise Agreement and all other agreements between Franchisee or its Owners, and Franchisor or its affiliates.
- 6.2 Franchisee is operating each of its existing CARING SENIOR SERVICE Franchised Businesses, and is capable of conducting the operation of the proposed additional CARING SENIOR SERVICE franchised businesses in the additional Territories, in accordance with the terms and conditions of the respective franchise agreements and the Standards, specifications, and procedures set forth and described in the Confidential Operations Manual (as defined in the Franchise Agreement), as determined by Franchisor in its discretion.
- 6.3 Franchisee and its Owners satisfy Franchisor’s then-current financial criteria for franchisees and Owners of CARING SENIOR SERVICE franchised businesses.
- 6.4 Franchisee has achieved certain minimum performance benchmarks as set by Franchisor in the Confidential Operations Manual for multi-Territory franchisees in order to ensure a certain level of market penetration prior to Franchisee’s expansion.
- 6.5 Franchisee is not in default and has not been in default during the 12-month period preceding Franchisee’s request for financial approval of any monetary obligations owed to any of Franchisee’s vendors or Franchisor or its affiliates under the Franchise Agreement or any other agreement between Franchisee or its affiliates and Franchisor or its affiliates. Franchisee acknowledges and agrees that it is vital to Franchisor’s interest that each of its franchisees are financially sound to avoid failure of a CARING SENIOR SERVICE

franchised business and that such failure would adversely affect the reputation and good name of CARING SENIOR SERVICE franchised businesses and the System.

6.6 Franchisee has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisee by this Addendum or by any franchise agreement.

6.7 Franchisee and its Guarantors execute Franchisor’s then-current form of general release in favor of Franchisor and related parties.

8. Non-Transferrable. This Addendum is personal to Franchisee and cannot be Transferred or assigned by Franchisee.

9. Termination. Franchisor may terminate this Development Addendum immediately on written notice to Franchisee: **(a)** on Franchisee’s breach of the terms of this Addendum, if Franchisee has not cured the breach within five days of its receipt of written notice, **(b)** if Franchisee is in breach of any of its obligations under the terms of the Franchise Agreement beyond any applicable cure period; or **(c)** if Franchisor terminates the Franchise Agreement.

10. Captions. The captions and headings in this Addendum are made for the purposes of convenience and general reference only and shall not be construed to define, limit, or otherwise affect any of the terms or provisions of this Addendum.

11. Miscellaneous. This Addendum represents the fully integrated and complete agreement between the parties and supersedes all other negotiations, agreements, representations, and covenants, oral or written. All other provisions of the Franchise Agreement remain in full force and effect. If any discrepancy or conflict arises between the provisions of this Addendum and the provisions of the Franchise Agreement, the provisions of this Addendum will control.

IN WITNESS WHEREOF, the parties have hereinafter executed this Addendum to be effective as of the Effective Date first written above.

FRANCHISOR
CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.
a Texas limited partnership

FRANCHISEE

a/an _____

by its General Partner
SENIOR HEALTH SERVICES, INC.
a Texas corporation

By: _____
[Name], [Title]

Date: _____

By: _____
[Name], [Title]

Date: _____

ATTACHMENT A
DEVELOPMENT TERRITORIES

DEVELOPMENT TERRITORY NO. 1:

The _____ Territory will consist of the following ZIP Codes:

DEVELOPMENT TERRITORY NO. 2:

The _____ Territory will consist of the following ZIP Codes:

EXHIBIT C TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

AS OF DECEMBER 31, 2022~~2023~~

STATE	FRANCHISEE	ADDRESS	TELEPHONE
Arizona	Jeff Salter Richard Daume CSS Phoenix*	2301 W. Dunlap Ave., Suite 114 Phoenix, AZ 85021	(602) 944-0100
	Jeff Salter Richard Daume CSS Scottsdale*	2301 W. Dunlap Ave., Suite 114 Phoenix, AZ 85021	(602) 944-0100
	Cindy Sheller CSS Tucson Northeast and Northwest*	6842 E. Tanque Verde Rd, Suite D Tucson, AZ 85715	(520) 428-0143
California	Dean White CSS Irvine	23232 Peralta Dr, Ste 106 Laguna Hills, CA 92635	(714) 710-1948
	Mike Canzoneri CSS Long Beach	10842 Noel Street, Suite 106 Los Alamitos, CA 90720	(562) 375 0046
	Shawn Montgomery Niek Harper CSS San Diego	3633 Camino Del Rio South, Suite 105, San Diego, CA 92108	(619) 567-7580
Colorado	Pat Abernathy Jennifer McCarn CSS Fort Collins*	333 W. Drake Road, Suite 22 Fort Collins, CO 80526	(970) 672-1734
	Pat Abernathy CSS Boulder*	1365 Forest Park Circle, Suite 205 Lafayette, CO 80026	(303) 500-3079
	Jennifer McCarn Pat Abernathy CSS Lakewood*	720 Kipling St, Ste 15 Lakewood, CO 80215	(720) 204-3093
	Marc and Lisa Coker CSS Littleton	6565 S. Dayton St., Suite #2350 Greenwood Village, CO 80111	(720) 821-1332
Florida	Krunal Patel CSS South Duval County (Jacksonville)	9850 San Jose Blvd, Ste 3 Jacksonville, FL 32257	(904) 932-0436
Georgia	Willie Giddens "Steven Frost Fredric Frost" CSS Atlanta North*	2400 Herodian Way, Suite 340 Smyrna, GA 30080	(770) 299-2066
	Willie Giddens "Steven Frost Fredric Frost" CSS Atlanta Northwest*	2400 Herodian Way, Suite 340 Smyrna, GA 30080	(770) 299-2066
	Debra Brazell CSS Atlanta NW Metro	225 Creekstone Ridge, Ste 29 Woodstock, GA 30188	(770) 884-8200
Illinois	Ian Klaes CSS Galesburg*	311 E. Main St., Suite 305 Galesburg, IL 61401	(309) 228-4222
Kansas	Kathy Langdon CSS Kansas City	100 E. Park Street, Suite 207 Olathe, KS 66061	(913) 295-9843
Mississippi	Kenyon Anderson CSS Jackson	517 Keywood Circle, Ste1-C Flowood, MS 39232	(601) 368-8467
Nebraska	Kadiratou Agrignan CSS Fremont Lincoln	1010 N. Bell St. Fremont 4435 O Street, Suite 212-K	(402) 620-6673

STATE	FRANCHISEE	ADDRESS	TELEPHONE
		<u>Lincoln, NE 6802568510</u>	
	June Mourgis CSS Omaha	1045 N 115th St, Ste 150 Omaha, NE 68154	(402) 682-7326
New Jersey	Kevin Shell CSS Camden County	237A West Kings Highway Audubon, NJ 08106	(856) 497-1250
	Tom Kopp CSS Mercer County	2382 Whitehorse-Mercerville Rd. Hamilton, NJ 08619	(609) 456-0473
	Chris Campbell CSS Bergen County	52 Park Avenue, Suite B4 Park Ridge, NJ 07656	(201) 930-8888
	Seth Weisleder CSS Essex County	419 Northfield Ave., Suite #2 West Orange, NJ 07052	(973) 737-9960
North Carolina	Colin Searcy CSS Raleigh	5630 Six Forks Rd., Suite 203 Raleigh, NC 27609	(919) 847-0010
	Ian Klaes CSS Wilmington*	5041 New Centre Dr., Suite 209 Wilmington, NC 28403	(910) 208-4079
Ohio	David Burgess CSS Columbus Northeast	4625 Morse Road, Suite 204 Gahanna, OH 43230	(614) 470-5830
	Fred and Kathy Wallace Jennifer Schmotzer CSS Canton*	44214337 Whipple Ave NW Canton, OH 44718	(330) 754-0133
Pennsylvania	Jennifer Fayash CSS Stroudsburg	846 Frable Rd Broadheadsville, PA 18322	(570) 234-3892
	Matthew Abraham CSS Eastern Montgomery County	505 Old York Rd, Suite 116-C Jenkintown, PA 19046	(267) 744-4173
Tennessee	Ivan and Amy Widen CSS Chattanooga	901 Mountain Creek Rd., Suite 203 Chattanooga, TN 37405	(423) 826-0266
	Joseph Bosas CSS Nashville	1451 Elm Hill Pike, Suite 218 Nashville, TN 37210	(615) 724-1488
Texas	Keith Perry CSS Abilene	310 N. Willis St. Suite 216 Abilene, TX 79603	(325) 230-7065
	Andy Gillen* CSS Amarillo*	1100 S. Fillmore, Suite 103 Amarillo, TX 79101	(806) 373-8940
	Andy Gillen* CSS Austin*	223 W. Anderson Lane, Suite B355 Austin, TX 78752	(512) 310-2273
	Kreshna Sheplear Adrienne and Mike Walls CSS JohnsonBrazoria County	1200 W. Henderson122 West Way, Suite E300 CleburneLake Jackson, TX 7603377566	(682) 317-9021(979) 316-2965
	Cindy Sheller Nick Pazarentos Andy Gillen CSS Dallas—Mid-CitiesCorpus Christi*	5601—Colleyville—Blvd4639 Corona Drive, Suite 1736 ColleyvilleCorpus Christi, TX 7603478411	(214) 225-6628(361) 883-9494
	Andy Gillen* Cindy Sheller Nick Pazarentos CSS Corpus—ChristiDallas Mid-Cities*	4639—Corona—Drive5601 Colleyville Blvd, Suite 3617 Corpus—ChristiColleyville, TX 7841176034	(361) 883-9494(214) 225-6628
	Ian Klaes CSS El Paso*	5959 Gateway West, Ste. 403 El Paso, TX 79925	(915) 843-1119
	Selene Chaudhry and Will Chaudhry CSS Fort Worth	4200 South Fwy, Suite 265 Fort Worth, TX 76115	(817) 210-4778

STATE	FRANCHISEE	ADDRESS	TELEPHONE
	Andy Gillen* Rick Casey CSS of McAllen Houston North	110 Cypress Station Dr., 1321 W. Pecan Blvd, Suite C163 McAllen Houston, TX 7850177090	(956) 687-9494(281) 893-6699
	Rick Casey Kreshna Sheplear CSS Houston North Johnson County	110 Cypress Station Dr., 1200 W. Henderson, Suite 163E Houston Cleburne, TX 7709076033	(281) 893-6699(682) 317-9021
	Rick Perry CSS Kerrville	2916 Memorial Blvd. Kerrville, TX 78028	(830) 895-3111
	Adrienne Walls Mike Walls Jeff Salter CSS Brazoria County of McAllen*	1321 W. Pecan Blvd 122 West Way, Suite 300C Lake Jackson McAllen, TX 7756678501	(979) 316-2965(956) 687-9494
	Cathy Trlica CSS New Braunfels	779 Loop 337 Ramp New Braunfels, TX 78130	(830) 629-0509
	Cindy Sheller CSS NE Dallas and Collin County*	801 E. Campbell Rd., Suite 160 Richardson, TX 75081	(214) 327-5100
	Cindy Sheller CSS NW Dallas*	801 E. Campbell Rd., Suite 160 Richardson, TX 75081	(214) 327-5100
	Andy Gillen* Jeff Salter CSS San Antonio*	201 E Park Avenue, Suite 101 San Antonio, TX 78212	(210) 227-9494
	Dustin & Rebecca Rauch Vanessa Wagster CSS Waco Victoria	1227 N Valley Mills Dr, Ste 233 Waco 103 E. Red River Victoria, TX 7671077901	(254) 277-2735(361) 575-1117
	Vanessa Wagster Dustin & Rebecca Rauch CSS Victoria Waco	103 E. Red River Victoria 1227 N Valley Mills Dr, Ste 233 Waco, TX 7790176710	(361) 575-1117(254) 277-2735
Utah	Brandy & Wade Anderson Brandyn Simmons CSS Wasatch*	75 East 7200 South, Suite C-103 Midvale, UT 84047	(385) 255-7597
Virginia	Wayne Mitchell* CSS Fredericksburg*	14540 John Marshall Hwy, Suite 208 Gainesville, VA 20155	(804) 410-3588
	Wayne Mitchell* CSS Northern Virginia*	14540 John Marshall Hwy, Suite 208 Gainsville, VA 20155	(571) 222-5050
Wisconsin	Greg and Stacie Opahle Brandyn Simmons CSS Milwaukee*	W156N8327 Pilgrim Road, Suite 406 Menomonee Falls, WI 53051	(414) 395-8106

*Multi-Unit Option holders

**LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT
BUT OUTLET NOT OPEN AS OF DECEMBER 31, ~~2022~~2023**

STATE	FRANCHISEE	ADDRESS	TELEPHONE
<u>Delaware</u>	<u>David Cullman, Elaine Beuther, Nick Harper CSS Wilmington</u>	<u>1401 Pennsylvania Ave, Ste 106 Wilmington, DE 19806</u>	<u>(302) 407-0075</u>
<u>Florida</u> <u>Michigan</u>	<u>Krunal Patel Amr Radwan CSS South DuvalOakland County (Jacksonville)South</u>	<u>9850 San Jose Blvd, Ste 3 Jacksonville, FL 3225748239 Deer Trail Drive Canton, MI 48187</u>	<u>(904) 932-0436(734) 502-0173</u>
<u>Nevada</u>	<u>Cindy Sheller CSS Las Vegas*</u>	<u>2660 Crimson Canyon Drive Suite 170 Las Vegas, NV 89128</u>	<u>(702) 747-8462</u>
<u>Ohio</u>	<u>Fred and Kathy Wallace CSS Canton*</u>	<u>4337 Whipple Ave NW Canton, OH 44718</u>	<u>(330) 754-0133</u>

EXHIBIT D TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following list contains the name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Terminated – Franchisee with Open Franchise:

<u>STATE</u>	<u>FRANCHISEE</u>	<u>CITY/STATE</u>	<u>TELEPHONE</u>
<u>California</u>	<u>Shawn Montgomery</u> <u>Nick Harper</u> <u>CSS San Diego</u>	<u>3633 Camino Del Rio South,</u> <u>Ste. 105</u> <u>San Diego, CA 92108</u>	<u>(619) 567-7580</u>

Terminated – Franchisee with Signed Agreement but Franchise not Open:

<u>STATE</u>	<u>FRANCHISEE</u>	<u>CITY/STATE</u>	<u>TELEPHONE</u>
<u>Delaware</u>	<u>David Cullman, Elaine Beuther,</u> <u>Nick Harper</u> <u>CSS Wilmington</u>	<u>1401 Pennsylvania Ave., Ste. 106</u> <u>Wilmington, DE 19806</u>	<u>(302) 407-0075</u>

Transferred to new Franchisees:

<u>Franchisee</u> <u>STATE</u>	<u>City</u> <u>FRANCHISEE</u>	<u>State</u> <u>CITY/STATE</u>	<u>Phone</u> <u>Number</u> <u>TELEPHONE</u>
Steve Jasa CSS Freemont Arizona	<u>Richard Daume</u> Freemont <u>CSS Phoenix*</u>	Nebraska <u>2301 W. Dunlap Ave.,</u> <u>Suite 114</u> <u>Phoenix, AZ 85021</u>	<u>402-709-8310</u> <u>(602) 944-0100</u>
Jose Bosas CSS Nashville Arizona	<u>Richard Daume</u> <u>Nashville</u> <u>Scottsdale*</u>	Tennessee <u>2301 W. Dunlap Ave.,</u> <u>Suite 114</u> <u>Phoenix, AZ 85021</u>	<u>615-724-1488</u> <u>(602) 944-0100</u>
Colorado Cindy Sheller CSS NE Dallas and Collin County	<u>Jennifer McCarn</u> Dallas <u>CSS Fort Collins*</u>	Texas <u>333 W. Drake Road, Suite</u> <u>22</u> <u>Fort Collins, CO 80526</u>	<u>520-428-0143</u> <u>(970) 672-1734</u>
<u>Georgia</u>	<u>"Steven Frost</u> <u>Fredric Frost"</u> <u>CSS Atlanta Northwest*</u>	<u>2400 Herodian Way, Suite 340</u> <u>Smyrna, GA 30080</u>	<u>(770) 299-2066</u>
<u>Georgia</u>	<u>"Steven Frost</u> <u>Fredric Frost"</u> <u>CSS Atlanta North*</u>	<u>2400 Herodian Way, Suite 340</u> <u>Smyrna, GA 30080</u>	<u>(770) 299-2066</u>
Cindy Sheller CSS NW Dallas Ohio	<u>Jennifer Schmotzer</u> Dallas <u>CSS Canton</u>	Texas <u>4421 Whipple Ave NW</u> <u>Canton, OH 44718</u>	<u>520-428-0143</u> <u>(330) 754-0133</u>
<u>Utah</u>	<u>Brandy & Wade Anderson</u> <u>CSS Wasatch</u>	<u>75 East 7200 South, Suite C-103</u> <u>Midvale, UT 84047</u>	<u>(385) 255-7597</u>
<u>Wisconsin</u>	<u>Greg and Stacie Opahle</u> <u>CSS Milwaukee</u>	<u>W156N8327 Pilgrim Road, Suite</u> <u>406</u> <u>Menomonee Falls, WI 53051</u>	<u>(414) 395-8106</u>

~~Terminated: None.~~

~~Reacquired by Franchisor: None.~~

~~Not Renewed: None.~~

~~Ceased Operations for Other Reason: None.~~

~~Has Not Communicated With Us in the Past 10 Weeks: None.~~

<u>STATE</u>	<u>FRANCHISEE</u>	<u>CITY/STATE</u>	<u>TELEPHONE</u>
<u>New Jersey</u>	<u>Chris Campbell</u> <u>CSS Bergen County</u>	<u>52 Park Avenue, Suite B4</u> <u>Park Ridge, NJ 07656</u>	<u>(201) 930-8888</u>

EXHIBIT E TO THE DISCLOSURE DOCUMENT

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Chapter Number and Topic	Number of Pages
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5.3. Marketing and Sales	<u>50</u>
<u>4. Recruitment</u>	<u>20</u>
<u>5. Training</u>	<u>10</u>
<u>6. Clients</u>	<u>10</u>
6. Billing and Collections	<u>60</u>
7. Payroll	<u>5</u>
8.7. <u>Managing Caregivers & Staff</u>	<u>5</u>
<u>8. Finances</u>	<u>1</u>
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EXHIBIT F TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

Caring Senior Service Franchise Partnership, L.P.
Balance Sheet
As of March 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	189,058
Account receivable:	
Trade	54,667
Related party	72,674
Prepaid expenses	61,912
TOTAL CURRENT ASSETS	378,311

Property and equip net of depreciation	5,627
Notes receivable	-
TOTAL ASSETS	383,938

LIABILITIES AND PARTNERS CAPITAL

CURRENT LIABILITIES

Accounts Payable:	
Trade	161,429
Related Party	2,307
Grab The Bar fundraiser liability	-
Accrued state franchise taxes	- 4,485
Advances from related party	97,126
Current portion of long-term debt	19,496
Current portion of note payable from related party	4,894
Deferred franchise fees	94,937
TOTAL CURRENT LIABILITIES	384,674

NON-CURRENT LIABILITIES

Long-term debt, net of current portion	497,222
Note payable from related party	196,131

TOTAL NON-CURRENT LIABILITIES	693,353
TOTAL LIABILITIES	1,078,027

PARTNERS CAPITAL

Partners Capital (Deficit)	-226,989
Less: receivables from partner-owned entities	-467,100

TOTAL PARTNERS CAPITAL (Deficit)	-694,089
---	-----------------

TOTAL LIABILITIES AND PARTNERS CAPITAL (Deficit)	383,938
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Caring Senior Service Franchise Partnership, L.P.

Statement of Operations

As of March 31, 2024

REVENUES

Royalty fees	\$	464,585
Franchise sales and renewal fees	\$	5,209
Technology fee revenue	\$	135,225
Reimbursed charges from franchises, net	\$	412,945

TOTAL REVENUE

\$ 1,017,964

OPERATING EXPENSES

General and administrative expenses	\$	319,762
Partner Compensation	\$	13,846
Technology fee expense	\$	213,057
Employee lease expense	\$	428,113

TOTAL OPERATING EXPENSES

\$ 974,778

NET OPERATING (LOSS) INCOME BEFORE

State Franchise Tax Provision	\$	43,186
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OTHER INCOME

Extinguishment of debt income	\$	-
TOTAL OTHER INCOME	\$	-

STATE FRANCHISE TAX PROVISION

-

NET (LOSS) INCOME

\$ 43,186

**CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.**

FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023, 2022, and 2021



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INDEPENDENT AUDITOR'S REPORT

To the Partners
of Caring Senior Service Franchise Partnership, L.P.

Opinion

We have audited the accompanying financial statements of Caring Senior Service Franchise Partnership, L.P. (a Texas limited partnership) (the Partnership), which comprise the balance sheets as of December 31, 2023, 2022, and 2021, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

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

Haynie & Company

San Antonio, TX
May 15, 2024

Financial Statements

Caring Senior Service Franchise Partnership, L.P.
Balance Sheets
December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 257,005	\$ 130,008	\$ 669,724
Accounts receivable:			
Trade	23,729	44,144	108,799
Related party	47,203	37,869	38,144
Prepaid expenses	16,484	63,733	39,822
Total Current Assets	<u>344,421</u>	<u>275,754</u>	<u>856,489</u>
Property and equipment, net of depreciation	5,627	15,271	24,915
Notes receivable	<u>-</u>	<u>12,000</u>	<u>1,550</u>
TOTAL ASSETS	<u>\$ 350,048</u>	<u>\$ 303,025</u>	<u>\$ 882,954</u>
LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)			
Current Liabilities			
Accounts payable:			
Trade	\$ 229,137	\$ 238,542	\$ 130,216
Related party	3,232	528	528
Grab the bars fundraiser liability	-	-	109,343
Accrued state franchise taxes	17,941	10,738	12,241
Advances from related party	97,126	54,538	34,734
Current portion of long-term debt	16,921	10,037	8,340
Current portion of note payable from related party	3,869	-	-
Deferred franchise fees	94,937	53,970	125,838
Total Current Liabilities	<u>463,163</u>	<u>368,353</u>	<u>421,240</u>
Non-Current Liabilities			
Long-term debt, net of current portion	497,222	512,946	522,609
Note payable from related party	196,131	-	-
Total Non-Current Liabilities	<u>693,353</u>	<u>512,946</u>	<u>522,609</u>
TOTAL LIABILITIES	<u>1,156,516</u>	<u>881,299</u>	<u>943,849</u>
Partners' Capital			
Partners' Capital (Deficit)	(339,368)	(211,174)	254,205
Less: receivables from partner-owned entities	(467,100)	(367,100)	(315,100)
Total Partners' Capital (Deficit)	<u>(806,468)</u>	<u>(578,274)</u>	<u>(60,895)</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)	<u>\$ 350,048</u>	<u>\$ 303,025</u>	<u>\$ 882,954</u>

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.
Statements of Operations
For the Years Ended December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues			
Royalty fees	\$ 1,951,540	\$ 1,682,759	\$ 1,617,174
Franchise sales and renewal fees	195,278	206,868	46,662
Technology fee revenue	876,001	528,246	469,025
Reimbursed charges from franchises, net	444,914	247,305	207,841
Total Revenue	<u>3,467,733</u>	<u>2,665,178</u>	<u>2,340,702</u>
Operating Expenses			
General and administrative expenses	1,478,782	1,403,766	1,483,113
Partners' compensation	65,000	66,000	60,000
Technology fee expense	757,400	664,191	611,302
Employee lease expense	1,276,777	988,026	975,778
Total Operating Expenses	<u>3,577,959</u>	<u>3,121,983</u>	<u>3,130,193</u>
Net Operating (Loss) Income Before State Franchise Tax Provision	(110,226)	(456,805)	(789,491)
Other Income			
Extinguishment of debt income	-	-	271,035
Total Other Income	<u>-</u>	<u>-</u>	<u>271,035</u>
State franchise tax provision	<u>(17,968)</u>	<u>(7,981)</u>	<u>(10,882)</u>
Net (Loss) Income	<u>\$ (128,194)</u>	<u>\$ (464,786)</u>	<u>\$ (529,338)</u>

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.
Statements of Changes in Partners' Capital
For the Years Ended December 31, 2023, 2022, and 2021

	Partners' Capital	Receivable from Partner-Owned Entities	Total
Partners' capital, December 31, 2020	\$ 783,543	\$ (430,943)	\$ 352,600
Loan repayments received	-	115,843	115,843
Net loss	(529,338)	-	(529,338)
Partners' capital, December 31, 2021	254,205	(315,100)	(60,895)
Loans to partner-owned entities	-	(52,000)	(52,000)
Distributions	(593)	-	(593)
Net loss	(464,786)	-	(464,786)
Partners' capital, December 31, 2022	(211,174)	(367,100)	(578,274)
Loans to partner-owned entities	-	(100,000)	(100,000)
Net loss	(128,194)	-	(128,194)
Partners' capital, December 31, 2023	\$ <u>(339,368)</u>	\$ <u>(467,100)</u>	\$ <u>(806,468)</u>

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.
Statements of Cash Flows
For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Operating Activities			
Net loss	\$ (128,194)	\$ (464,786)	\$ (529,338)
Adjustments to Reconcile Net Loss to Net Cash			
Provided (Used) by Operating Activities:			
Depreciation expense	9,644	9,644	44,384
Bad debt expense	-	-	370,108
Extinguishment of debt income	-	-	(271,035)
Changes in:			
Accounts receivable	11,081	64,930	(251,350)
Prepaid expenses	47,249	(23,911)	(39,822)
Accounts payable	(6,701)	108,326	84,714
Grab the bars fundraiser liability	-	(109,343)	109,343
Employee lease liability - related party	42,588	19,804	4,363
Accrued state franchise taxes	7,203	(1,503)	410
Deferred franchise fees	40,967	(71,868)	20,838
Net Cash Provided (Used) by Operating Activities	23,837	(468,707)	(457,385)
Investing Activities			
Net changes in notes receivable	12,000	(10,450)	2,200
Net changes in loans to partner-owned entities	(100,000)	(52,000)	115,843
Net Cash Provided (Used) by Investing Activities	(88,000)	(62,450)	118,043
Financing Activities			
Principal payments on long-term debt	(8,840)	(7,966)	(7,710)
Proceeds from long-term debt	-	-	500,000
Proceeds from related party note	200,000	-	-
Partner Distributions	-	(593)	-
Net Cash Provided by Financing Activities	191,160	(8,559)	492,290
Net Increase (Decrease) in Cash and Cash Equivalents	126,997	(539,716)	152,948
Cash and Cash Equivalents at Beginning of Year	130,008	669,724	516,776
Cash and Cash Equivalents at End of Year	\$ 257,005	\$ 130,008	\$ 669,724
Supplemental Disclosures of Cash Flow Information:			
Interest paid	\$ 389	\$ 1,263	\$ 3,293
State franchise tax paid	\$ 17,968	\$ 10,738	\$ 11,630
Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Extinguishment of debt	\$ -	\$ -	\$ 271,035

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2023, 2022, and 2021

1. Nature of the Organization

The Reporting Entity

Caring Senior Service Franchise Partnership, L.P. (the Partnership), is a limited partnership formed and operating under the laws of the state of Texas and having its principal place of business in San Antonio, Texas. The Partnership has two partners. One partner is the general partner - Senior Health Services, Inc. (SHSI) - that owns 2% of the partnership interest. The other partners are limited partners: Mr. Jeffrey Salter and Desert Mountain, LLC. Who own 78% and 20% of the partnership interest, respectively. Mr. Jeffrey Salter owns 100% of the stock of SHSI and Mr. Ian Klaes owns 100% of the partnership interest of Desert Mountain, LLC.

Nature of Operations

The Partnership is engaged in the franchising of a unique and proprietary business method to manage and operate businesses that provide non-medical assistance to the elderly and infirm at their homes or places of residence. The following summarizes the number of franchises in operation as of December 31, 2023, 2022, and 2021:

	Number of Locations	Number of States
2021	48	17
2022	50	17
2023	51	18

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2023, 2022, and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Partnership determines revenue recognition by: (1) identifying the contract with the customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to performance obligations in the contract; and (5) recognizing revenue when, or as, the Partnership satisfies performance obligations by transferring the promised goods or services.

The Partnership generates revenue primarily through royalties, franchise and renewal fees, technology fees, and reimbursed charges from franchisees.

Royalty Fees

Royalty fees are earned when franchisees provide services to their clients. The Partnership charges the franchisees 5% of their gross billings for the use of the franchised unique and proprietary management and business method. Royalties are recognized in income as underlying franchisee billings occur, unless there is significant uncertainty concerning the collectability of such revenues, in which case royalty revenues are recognized when received.

Franchise and Renewal Fees

The Partnership has elected the practical expedient outlined in ASU-2021-02, “*Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)*” that simplifies the identification of performance obligations for private company franchisors for certain pre-opening activities. Accordingly, pre-opening activities provided by the Partnership to its franchisees are accounted for as a single performance obligation, distinct from the franchise fee, and the franchise fee attributable to those activities is recognized over a shorter period of time than the term of the franchise agreement. For example, site selection and market demographics, mapping, training of management team, and distribution of operating manuals are established, delivered, and provided to new franchisees within 75 days of signing the franchise agreement. Bookkeeping, information technology, and advisory services are provided within 90 days of signing the franchise agreement. These activities represent approximately 66% of the total franchise fee and are recognized as income within 75 to 90 days of the signing the franchise agreement. The remaining 34% of the franchise agreement is recognized on a straight-line basis over the term of the franchise agreement since services related thereto are provided throughout the remaining term of the agreement.

Renewal fees are charged for each subsequent five-year term and are recognized in the same manner as described above for franchise fees.

Technology Fees

The Partnership collects a monthly fee from its franchisees for use of its proprietary software, computer support, and internet service support. These fees are recognized monthly over the term of the respective franchise agreement.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2023, 2022, and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Reimbursed Charges

As part of the franchise agreement, the Partnership provides ongoing marketing and advertising, training, bookkeeping, and quality control which are all incurred on behalf of the franchisee and recovered through monthly billings in accordance with the franchise agreement.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily represent royalty fees. Management considers a reserve for doubtful accounts based on the creditworthiness of the entity. The provision for uncollectible accounts is continually reviewed and adjusted to maintain the allowance at the level considered adequate to cover future losses. If an account is considered uncollectible by management, the account is written off to bad debt expense. Based upon management's review of accounts, amounts totaling \$0, \$0, and \$90,108 were deemed uncollectible and written off to bad debt expense during 2023, 2022, and 2021, respectively.

Notes Receivable

The Partnership has advanced non-interest-bearing funds to multiple franchises. The Partnership has also reclassified certain aged accounts included in trade accounts receivable as long-term. Notes receivable amounted to \$0, \$12,000, and \$1,550 as of December 31, 2023, 2022, and 2021, respectively, and are recorded as a non-current asset in the balance sheet.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant management estimates include the allowance for doubtful accounts for trade accounts receivable and notes receivable and the depreciable lives of property and equipment.

Cash and Cash Equivalents

The Partnership considers time deposits with maturities of three months or less when purchased to be cash equivalents.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

2. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of recoverability is made based upon the estimated undiscounted future net cash flows, excluding interest expense. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flow analysis, with the carrying value of the related assets. Management determined there was no impairment of long-lived assets at December 31, 2023, 2022, and 2021.

Income Tax Status

No provision has been made in the accompanying financial statements for federal income taxes since the Partnership is taxed as a partnership for federal income tax purposes. Income and losses are allocated in accordance with the partnership agreement and are to be included in the federal income tax returns of the individual partners. The Partnership is, however, subject to the State of Texas Franchise Tax. The Partnership recognizes a tax position in the financial statements when it is more-likely-than-not the positions will not be sustained upon examination by the tax authorities. Penalties and interest associated with any uncertain tax positions are recorded in the period assessed in operating expenses. As of December 31, 2023, 2022, and 2021, the Partnership had no uncertain tax positions and is no longer subject to income tax examinations by tax authorities for the years prior to December 31, 2020.

Advertising Costs

All costs associated with advertising and marketing products and franchise opportunities are expensed as incurred. Advertising expenses incurred during 2023, 2022, and 2021 were \$602,223, \$414,163 and \$537,830, respectively.

Deferred Franchise Fees

Franchise sales and renewal fees received total \$236,245, \$135,000, and \$67,500 for the years ended December 31, 2023, 2022, and 2021, respectively. Of these amounts, \$94,937, \$53,970, and \$125,838 is recorded as deferred franchise fees as of December 31, 2023, 2022, and 2021, respectively, pursuant to ASU-2021-02, *“Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)”* as explained previously. Deferred franchise fees are being amortized into income over the remaining terms of the agreements.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost. The cost of major renewal and betterments are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets which vary from three to five years and is included in operating expenses on the income statement.

Leases

In February 2016, FASB issued ASU 2016-2, Leases (Topic 842), to increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Partnership's annual period beginning after December 15, 2021. The Partnership had no leases or agreements that required implementation of this standard.

Reclassifications

Certain reclassifications have been made to the financial statements in prior years in order to conform to the current year financial statement presentation.

3. Concentrations of Credit Risk

Financial instruments which potentially expose the Partnership to concentrations of credit risk consist primarily of cash and cash equivalents and trade receivables. The Partnership's cash and cash equivalents consist of highly liquid cash deposits in major financial institutions. At times cash deposits in major financial institutions exceed FDIC insurance limits. Management believes the Partnership is not materially exposed to losses of uninsured balances.

The Partnership's trade accounts receivable arise primarily from royalties receivable from its franchisees. The Partnership ordinarily requires no collateral from its trade accounts receivable customers; however, it routinely assesses the financial strength of its customers.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

4. Property and Equipment

At December 31, 2023, 2022, and 2021 Property and Equipment consisted of the following:

	2023	2022	2021
Software	\$ 260,544	\$ 260,544	\$ 260,544
Automobile	48,223	48,223	48,223
Office and Computer Equipment	17,426	17,426	17,426
Total Property and Equipment	326,193	326,193	326,193
Less Accumulated Depreciation	(320,566)	(310,922)	(301,278)
Property and Equipment, Net of Depreciation	\$ 5,627	\$ 15,271	\$ 24,915

Depreciation expense was \$9,644, \$9,644, and \$44,384 for the years ended December 31, 2023, 2022, and 2021, respectively.

5. Related Party Transactions

Receivables from Partner-Owned Entities

The Partnership has advanced funds to three entities that are owned and operated by the partners of the Partnership. The entities own and operate several franchise locations. As of December 31, 2023, 2022, and 2021 the Partnership has advanced \$467,100, \$367,000, and \$315,100, respectively, to these entities. The advances bear no interest, are unsecured, have no repayment terms, and are recorded as contra-equity in the balance sheet.

Revenue from Partner-Owned Entities

Royalty and other franchise fees earned from franchises owned and operated partner-owned entities total \$490,668, \$473,655, and \$478,883 for the years ended December 31, 2023, 2022, and 2021. The table on the following page shows gross revenue recorded, trade accounts receivable balances, and trade accounts payable balances at year end for these related party transactions.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

5. Related Party Transactions (continued)

	2023	2022	2021
Revenue:			
Royalty fees	\$ 333,983	\$ 342,194	\$ 330,959
Software fees	95,303	75,469	84,294
Reimbursed charges from franchisees	61,382	55,992	63,630
Total Revenue	\$ 490,668	\$ 473,655	\$ 478,883
Amounts included in Accounts Receivable - Trade at December 31	\$ 47,203	\$ 37,869	\$ 38,144
Amounts included in Accounts Payable - Trade at December 31	\$ 3,232	\$ 528	\$ 528

Advances from Related Party

The Partnership leases its employees from Caring Senior Management, LLC under a management agreement. The agreement provides for the staffing requirements of the Partnership, including employee benefits and processing of payroll and payroll-related taxes. Caring Senior Management, LLC is owned by one of the partners of the Partnership. Total salaries, wages, payroll taxes and related benefits amounted to \$1,276,777, \$988,026, and 988,026 for the years ended December 31, 2023, 2022, and 2021, respectively. The Partnership has a balance payable to Caring Senior Management, LLC of \$97,126, \$54,538, and \$34,734 as of December 31, 2023, 2022, and 2021, respectively, which is recorded as Short-term advance from related party in the balance sheet.

Note Payable from Related Party

The Partnership received a \$200,000 loan from an entity owned and operated by a partner of the Partnership on August 16, 2023. Terms include 360 monthly payments of \$1,030 beginning June 1, 2024. The note bears interest at 3.75% and is unsecured.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

5. Related Party Transactions (continued)

Below is the maturity schedule for the note payable to related party:

<u>Year Ended December 31,</u>		
2024	\$	3,869
2025		6,845
2026		7,121
2027		7,409
2028		7,708
Thereafter		<u>167,048</u>
		200,000
Less Current Portion		<u>(3,869)</u>
Long-Term Debt, Net of Current Portion	\$	<u><u>196,131</u></u>

6. Commitments and Contingencies

The Partnership, from time to time, is engaged in litigation as either plaintiff or defendant in the ordinary course of doing business. In the opinion of management, there is no such litigation for the Partnership at this time.

7. Long-Term Debt

The Partnership purchased a vehicle for business use by Caring Senior Services on August 12, 2019. The vehicle was purchased through a loan from Security Services Federal Credit Union for \$48,223. Terms include 72 payments due monthly in the amount of \$769, which includes interest at 4.60%. The balance due on the loan was \$14,351, \$23,083, and \$30,949 as of December 31, 2023, 2022, and 2021.

The Partnership received a loan from the U.S. Small Business Administration (SBA) on November 20, 2021, totaling \$500,000. Terms include 360 payments due monthly in the amount of \$2,575, which includes interest at 3.75%. These payments will begin 30 months from the date of the loan issuance, which is May 23, 2024.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

7. Long-Term Debt (continued)

Below is the debt maturity schedule for long-term debt:

<u>Year Ended December 31,</u>		
2024	\$	16,921
2025		18,293
2026		13,157
2027		13,659
2028		14,180
Thereafter		<u>437,933</u>
		514,143
Less Current Portion		<u>(16,921)</u>
Long-Term Debt, Net of Current Portion	\$	<u><u>497,222</u></u>

8. Commitments and Obligations from Franchise Agreements

The Partnership currently franchises its concept across 19 states. The franchise arrangement is documented in the form of a franchise agreement. The franchise agreement requires the Partnership to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of a franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, but substantially all of the utility derived from its association with the Partnership's past or ongoing activities. The nature of the Partnership's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Partnership are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

9. Disaggregation of Revenue

The Partnership believes that the captions contained on the statements of operations appropriately reflect disaggregation of its revenue by major type for the years ended December 31, 2023, 2022, and 2021.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2023, 2022, and 2021

10. Uncertainty

The accompanying financial statements have been prepared assuming that the Partnership will continue as a going concern. As of December 31, 2023, the Partnership's balance sheet reflected a working capital deficit of \$118,742 and a partners' capital deficit of \$339,368, before receivables from partner-owned entities. The Partnership's income statement reflected a net loss of \$128,194 for the year ended December 31, 2023. Together, these factors raised substantial doubt about the Partnership's ability to continue as a going concern. During 2024, management has taken measures to cut costs and increase sales that have resulted in net income before depreciation of approximately \$125,000 and positive working capital of approximately \$100,000 as of May 15, 2024. In addition, the Partnership is eligible for Employee Retention Credit (ERC) proceeds through its managing agent, Caring Senior Management, LLC. (Note 5), in the amount of approximately \$370,000, which management believes will be funded during 2024. Furthermore, the Partnership has remained current with all its debt obligations. Although it has not expressed the intent to do so, the Partnership may take other measures to free up working capital to meet current obligations, such as negotiating repayment terms of outstanding advances made to partner-owned entities, cutting operating costs, increasing sales in new and existing markets, or making a capital call from Partners.

These measures, when considered in the aggregate, have alleviated doubt about the Partnership's ability to continue as a going concern.

11. Subsequent Events

The Partnership has evaluated the events subsequent to May 15, 2024, the date which the financial statements were available to be issued. No such events have occurred subsequent to the balance sheet date and through the date of the Partnership's evaluation that would require adjustment to, or disclosure in, the financial statements.

**CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.**

FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021 and 2020



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INDEPENDENT AUDITOR'S REPORT

To the Partners
of Caring Senior Service Franchise Partnership, L.P.

Opinion

We have audited the accompanying financial statements of Caring Senior Service Franchise Partnership, L.P. (a Texas limited partnership) (the Partnership), which comprise the balance sheets as of December 31, 2022, 2021, and 2020, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (Continued)

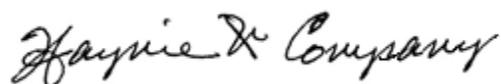
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

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



San Antonio, TX
March 30, 2023

Financial Statements

Caring Senior Service Franchise Partnership, L.P.
Balance Sheets
December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 130,008	\$ 669,724	\$ 516,776
Accounts receivable:			
Trade	44,144	108,799	159,024
Related party	18,945	38,144	106,677
Prepaid expenses	63,733	39,822	-
Total Current Assets	<u>256,830</u>	<u>856,489</u>	<u>782,477</u>
Property and equipment, net of depreciation	15,271	24,915	69,299
Notes receivable	164,000	1,550	3,750
TOTAL ASSETS	<u><u>\$ 436,101</u></u>	<u><u>\$ 882,954</u></u>	<u><u>\$ 855,526</u></u>
LIABILITIES AND PARTNERS' CAPITAL			
Current Liabilities			
Accounts payable:			
Trade	\$ 238,542	\$ 130,216	\$ 38,526
Related party	528	528	7,504
Grab the bars fundraiser liability	-	109,343	-
Accrued state franchise taxes	10,738	12,241	11,831
Advances from related party	54,538	34,734	301,406
Current portion of long-term debt	10,037	8,340	7,612
Deferred franchise fees	53,970	125,838	105,000
Total Current Liabilities	<u>368,353</u>	<u>421,240</u>	<u>471,879</u>
Non-Current Liabilities			
Long-term debt, net of current portion	512,946	522,609	31,047
Total Non-Current Liabilities	<u>512,946</u>	<u>522,609</u>	<u>31,047</u>
TOTAL LIABILITIES	<u><u>881,299</u></u>	<u><u>943,849</u></u>	<u><u>502,926</u></u>
Partners' Capital			
Partners' Capital	(211,174)	254,205	783,543
Less: receivables from partner-owned entities	(234,024)	(315,100)	(430,943)
Total Partners' Capital (Deficit)	<u>(445,198)</u>	<u>(60,895)</u>	<u>352,600</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL	<u><u>\$ 436,101</u></u>	<u><u>\$ 882,954</u></u>	<u><u>\$ 855,526</u></u>

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.
Statements of Operations
For the Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Revenues			
Royalty fees	\$ 1,682,759	\$ 1,617,174	\$ 1,785,714
Franchise sales and renewal fees	206,868	46,662	36,500
Technology fee revenue	528,246	469,025	421,428
Reimbursed charges from franchises, net	247,305	207,841	175,894
Total Revenue	2,665,178	2,340,702	2,419,536
Operating Expenses			
General and administrative expenses	1,403,766	1,483,113	1,213,713
Partners' compensation	66,000	60,000	82,808
Technology fee expense	664,191	611,302	577,374
Employee lease expense	988,026	975,778	876,137
Total Operating Expenses	3,121,983	3,130,193	2,750,032
Net Operating (Loss) Income Before			
State Franchise Tax Provision	(456,805)	(789,491)	(330,496)
Other Income			
Income from franchise termination	-	-	100,000
Extinguishment of debt income	-	271,035	-
Total Other Income	-	271,035	100,000
State franchise tax provision	(7,981)	(10,882)	(7,045)
Net (Loss) Income	\$ (464,786)	\$ (529,338)	\$ (237,541)

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.
Statements of Changes in Partners' Capital
For the Years Ended December 31, 2022, 2021, and 2020

	Partners' Capital	Receivable from Partner-Owned Entities	Total
Partners' capital, December 31, 2019	\$ 1,021,084	\$ (588,097)	\$ 432,987
Loans to partner-owned entities	-	157,154	157,154
Net income	(237,541)	-	(237,541)
Partners' capital, December 31, 2020	783,543	(430,943)	352,600
Loan repayments received	-	115,843	115,843
Net Loss	(529,338)	-	(529,338)
Partners' capital, December 31, 2021	254,205	(315,100)	(60,895)
Loans to partner-owned entities	-	81,076	81,076
Distributions	(593)	-	(593)
Net Loss	(464,786)	-	(464,786)
Partners' capital, December 31, 2022	\$ (211,174)	\$ (234,024)	\$ (445,198)

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.
Statements of Cash Flows
For the Years Ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Activities			
Net (loss) income	\$ (464,786)	\$ (529,338)	\$ (237,541)
Adjustments to Reconcile Net (Loss) Income to Net Cash			
Provided by Operating Activities:			
Depreciation expense	9,644	44,384	61,753
Bad debt expense	-	370,108	541,825
Extinguishment of debt income	-	(271,035)	-
Changes in:			
Accounts receivable	164,930	(251,350)	95,588
Prepaid expenses	(23,911)	(39,822)	16,236
Accounts payable	88,499	84,714	(298,327)
Grab the bars fundraiser liability	(109,343)	109,343	-
Employee lease liability - related party	19,827	4,363	(28,135)
Accrued state franchise taxes	(1,503)	410	(2,284)
Deferred franchise fees	(71,868)	20,838	-
Net Cash Provided (Used) by Operating Activities	<u>(388,511)</u>	<u>(457,385)</u>	<u>149,115</u>
Investing Activities			
Proceeds from repayments of notes receivable	(162,450)	2,200	(111,822)
Proceeds from repayments of shareholder notes receivable	-	115,843	157,154
Net Cash Provided (Used) by Investing Activities	<u>(162,450)</u>	<u>118,043</u>	<u>45,332</u>
Financing Activities			
Principal payments on long-term debt	(7,966)	(7,710)	(7,877)
Proceeds from long-term debt	-	500,000	-
Short-term advance from related party	19,804	-	271,035
Partner Distributions	(593)	-	-
Net Cash Provided by Financing Activities	<u>11,245</u>	<u>492,290</u>	<u>263,158</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(539,716)	152,948	457,605
Cash and Cash Equivalents at Beginning of Year	669,724	516,776	59,171
Cash and Cash Equivalents at End of Year	<u>\$ 130,008</u>	<u>\$ 669,724</u>	<u>\$ 516,776</u>
Supplemental Disclosures of Cash Flow Information:			
Interest paid	<u>\$ 1,263</u>	<u>\$ 3,293</u>	<u>\$ 5,522</u>
State franchise tax paid	<u>\$ 10,738</u>	<u>\$ 11,630</u>	<u>\$ 11,630</u>
Supplemental Disclosure of Non-Cash Investing and Financing Activities:			
Extinguishment of debt	<u>\$ -</u>	<u>\$ 271,035</u>	<u>\$ -</u>
Reclassifications to related party receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,843</u>

The accompanying notes are an integral part of the financial statements.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2022, 2021, and 2020

1. Nature of the Organization

The Reporting Entity

Caring Senior Service Franchise Partnership, L.P. (the Partnership), is a limited partnership formed and operating under the laws of the state of Texas and having its principal place of business in San Antonio, Texas. The Partnership has two partners. One partner is the general partner - Senior Health Services, Inc. (SHSI) - that owns 2% of the partnership interest. The other partners are limited partners: Mr. Jeffrey Salter and Desert Mountain, LLC. Who own 78% and 20% of the partnership interest, respectively. Mr. Jeffrey Salter owns 100% of the stock of SHSI and Mr. Ian Klaes owns 100% of the partnership interest of Desert Mountain, LLC.

Nature of Operations

The Partnership is engaged in the franchising of a unique and proprietary business method to manage and operate businesses that provide non-medical assistance to the elderly and infirm at their homes or places of residence. The following summarizes the number of franchises in operation as of December 31, 2022, 2021, and 2020:

	Number of Locations	Number of States
2020	49	18
2021	47	19
2022	52	17

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2022, 2021, and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Partnership determines revenue recognition by: (1) identifying the contract with the customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to performance obligations in the contract; and (5) recognizing revenue when, or as, the Partnership satisfies performance obligations by transferring the promised goods or services.

The Partnership generates revenue primarily through royalties, franchise and renewal fees, technology fees, and reimbursed charges from franchisees.

Royalty Fees

Royalty fees are earned when franchisees provide services to their clients. The Partnership charges the franchisees 5% of their gross billings for the use of the franchised unique and proprietary management and business method. Royalties are recognized in income as underlying franchisee billings occur, unless there is significant uncertainty concerning the collectability of such revenues, in which case royalty revenues are recognized when received.

Franchise and Renewal Fees

The Partnership has elected the practical expedient outlined in ASU-2021-02, “*Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)*” that simplifies the identification of performance obligations for private company franchisors for certain pre-opening activities. Accordingly, pre-opening activities provided by the Partnership to its franchisees are accounted for as a single performance obligation, distinct from the franchise fee, and the franchise fee attributable to those activities is recognized over a shorter period of time than the term of the franchise agreement. For example, site selection and market demographics, mapping, training of management team, and distribution of operating manuals are established, delivered, and provided to new franchisees within 75 days of signing the franchise agreement. Bookkeeping, information technology, and advisory services are provided within 90 days of signing the franchise agreement. These activities represent approximately 66% of the total franchise fee and are recognized as income within 75 to 90 days of the signing the franchise agreement. The remaining 34% of the franchise agreement is recognized on a straight-line basis over the term of the franchise agreement since services related thereto are provided throughout the remaining term of the agreement.

Renewal fees are charged for each subsequent five-year term and are recognized in the same manner as described above for franchise fees.

Technology Fees

The Partnership collects a monthly fee from its franchisees for use of its proprietary software, computer support, and internet service support. These fees are recognized monthly over the term of the respective franchise agreement.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2022, 2021, and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Reimbursed Charges

As part of the franchise agreement, the Partnership provides ongoing marketing and advertising, training, bookkeeping, and quality control which are all incurred on behalf of the franchisee and recovered through monthly billings in accordance with the franchise agreement.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily represent royalty fees. Management considers a reserve for doubtful accounts based on the creditworthiness of the entity. The provision for uncollectible accounts is continually reviewed and adjusted to maintain the allowance at the level considered adequate to cover future losses. If an account is considered uncollectible by management, the account is written off to bad debt expense. Based upon management's review of accounts, amounts totaling \$0, \$90,108, and \$541,825 were deemed uncollectible and written off to bad debt expense during 2022, 2021, and 2020, respectively.

Notes Receivable

The Partnership has advanced non-interest-bearing funds to multiple franchises. The Partnership has also reclassified certain aged accounts included in trade accounts receivable as long-term. Notes receivable amounted to \$164,000, \$281,550, and \$3,750 as of December 31, 2022, 2021, and 2020, respectively, and are recorded as a non-current asset in the balance sheet.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant management estimates include the allowance for doubtful accounts for trade accounts receivable and notes receivable and the depreciable lives of property and equipment.

Cash and Cash Equivalents

The Partnership considers time deposits with maturities of three months or less when purchased to be cash equivalents.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2022, 2021, and 2020

2. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The determination of recoverability is made based upon the estimated undiscounted future net cash flows, excluding interest expense. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flow analysis, with the carrying value of the related assets. Management determined there was no impairment of long-lived assets at December 31, 2022, 2021, and 2020.

Income Tax Status

No provision has been made in the accompanying financial statements for federal income taxes since the Partnership is taxed as a partnership for federal income tax purposes. Income and losses are allocated in accordance with the partnership agreement and are to be included in the federal income tax returns of the individual partners. The Partnership is, however, subject to the State of Texas Franchise Tax. The Partnership recognizes a tax position in the financial statements when it is more-likely-than-not the positions will not be sustained upon examination by the tax authorities. Penalties and interest associated with any uncertain tax positions are recorded in the period assessed in operating expenses. As of December 31, 2022, 2021, and 2020, the Partnership had no uncertain tax positions and is no longer subject to income tax examinations by tax authorities for the years prior to December 31, 2019.

Advertising Costs

All costs associated with advertising and marketing products and franchise opportunities are expensed as incurred. Advertising expenses incurred during 2022, 2021, and 2020 were \$414,163, \$537,830 and \$119,379, respectively.

Deferred Franchise Fees

In 2022, the Partnership signed 3 additional franchises with an option to renew, and 9 other franchisees renewed their franchise licenses. The franchise and renewal fees total \$135,000. Of this amount, \$96,659 was recognized into income pursuant to ASU-2021-02, *“Franchisors - Revenue from Contracts with Customers (Subtopic 952-606)”* as explained previously. Accordingly, \$38,341 of the franchise and renewal fees are recorded as deferred franchise fees and are being amortized into income over the remaining terms of the agreements.

Caring Senior Service Franchise Partnership, L.P.
Notes to Financial Statements
December 31, 2022, 2021, and 2020

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost. The cost of major renewal and betterments are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets which vary from three to five years and is included in operating expenses on the income statement.

Reclassifications

Certain reclassifications have been made the prior year financial statements in order to conform to the current year financial statement presentation.

New Accounting Pronouncements

In February 2016, FASB issued ASU 2016-2, Leases (Topic 842), to increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the Partnership's annual period beginning after December 15, 2021, resulting in the initial annual period being the year that ends December 31, 2022. The Partnership had no leases or agreements that required implementation of this standard.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2022, 2021, and 2020

3. Concentrations of Credit Risk

Financial instruments which potentially expose the Partnership to concentrations of credit risk consist primarily of cash and cash equivalents and trade receivables. The Partnership's cash and cash equivalents consist of highly liquid cash deposits in major financial institutions. At times cash deposits in major financial institutions exceed FDIC insurance limits. Management believes the Partnership is not materially exposed to losses of uninsured balances.

The Partnership's trade accounts receivable arise primarily from royalties receivable from its franchisees. The Partnership ordinarily requires no collateral from its trade accounts receivable customers; however, it routinely assesses the financial strength of its customers.

4. Property and Equipment

At December 31, 2022, 2021, and 2020 Property and Equipment consisted of the following:

	2022	2021	2020
Software	\$ 260,544	\$ 260,544	\$ 260,544
Automobile	48,223	48,223	48,223
Office and Computer Equipment	17,426	17,426	17,426
Total Property and Equipment	326,193	326,193	326,193
Less Accumulated Depreciation	(310,922)	(301,278)	(256,894)
Property and Equipment, Net of Depreciation	\$ 15,271	\$ 24,915	\$ 69,299

Depreciation expense was \$4,822, \$44,384, and \$61,754 for the years ended December 31, 2022, 2021, and 2020, respectively.

5. Related Party Transactions

Receivables from Partner-Owned Entities

The Partnership has advanced funds to Caring Senior Service USA, Ltd (CSSUSA) totaling \$0, \$0, and \$252,600 as of December 31, 2022, 2021, and 2020 respectively. The advances bear no interest and have no repayment terms. CSSUSA owns five franchise locations and is wholly owned by a partner of the Partnership.

The Partnership has advanced funds to Caring National Holdings, LLC (Holdings) totaling \$0, \$62,500 and \$178,343 as of December 31, 2022, 2021, and 2020, respectively. Holdings owns five franchise locations. Holdings is wholly owned by a partner of the Partnership. Effective December 31, 2018, Holdings and the Partnership signed a promissory note to begin repaying the amount owed

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2022, 2021, and 2020

5. Related Party Transactions (continued)

beginning February 15, 2019. The promissory note bears an interest rate of 1.228% and payments of \$500 per month for two years, increasing \$250 per month for each successive two-year period until paid in full on January 15, 2034.

The total amount owed by CSSUSA and Holdings is \$334,024, \$315,100 and \$430,943 as of December 31, 2022, 2021 and 2020, respectively, and is recorded as contra-equity in the balance sheet.

Revenue from Partner-Owned Entities

Royalty and other franchise fees earned from franchises owned and operated by CSSUSA and Holdings, as well as Desert Mountain LLC and CSGACA LLC (both wholly owned and operated by the partners of the Partnership) total \$473,655, \$478,883, and \$549,736 for the years ended December 31, 2022, 2021, and 2020. The table below shows gross revenue recorded, trade accounts receivable balances, and trade accounts payable balances at year end for these related party transactions.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue:			
Royalty fees	\$ 342,194	\$ 330,959	\$ 373,634
Software fees	75,469	84,294	101,316
Reimbursed charges from franchises	55,992	63,630	74,786
Total Revenue	<u>\$ 473,655</u>	<u>\$ 478,883</u>	<u>\$ 549,736</u>
Amounts included in Accounts Receivable - Trade at December 31	<u>\$ 18,945</u>	<u>\$ 38,144</u>	<u>\$ 106,677</u>
Amounts included in Accounts Payable - Trade at December 31	<u>\$ 556</u>	<u>\$ 528</u>	<u>\$ 7,504</u>

Short Term Advance to Related Party

The Partnership leases its employees from Caring Senior Management, LLC under a management agreement. The agreement provides for the staffing requirements of the Partnership, including employee benefits and processing of payroll and payroll-related taxes. Caring Senior Management, LLC is owned by one of the Partners of the Partnership. Total salaries, wages, payroll taxes and related benefits amounted to \$988,026, \$975,778, and \$876,137 for the years ended December 31, 2022, 2021, and 2020, respectively. The Partnership has a balance payable to Caring Senior Management, LLC of \$54,538, \$34,734, and \$301,406 as of December 31, 2022, 2021, and 2020, respectively, which is recorded as Short-term advance from related party in the balance sheet.

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2022, 2021, and 2020

6. Commitments and Contingencies

The Partnership, from time to time, is engaged in litigation as either plaintiff or defendant in the ordinary course of doing business. In the opinion of management, there is no such litigation for the Partnership at this time.

7. Long-Term Debt

The Partnership purchased a vehicle for business use by Caring Senior Services on August 12, 2019. The vehicle was purchased through a loan from Security Services Federal Credit Union for \$48,223. Terms include 72 payments due monthly in the amount of \$769, which includes interest at 4.60%. The balance due on the loan was \$23,083, \$30,949, and \$38,659 as of December 31, 2022, 2021, and 2020.

The Partnership acquired a loan from the U.S. Small Business Administration (SBA) on November 20, 2021, totaling \$500,000. Terms include 360 payments due monthly in the amount of \$2,575, which includes interest at 3.75%. These payments will begin 24 months from the date of the loan issuance.

Below is the debt maturity schedule for debt:

	<u>Year Ended December 31,</u>	
	2023	\$ 10,037
	2024	19,755
	2025	17,455
	2026	11,880
	2027	12,334
	Thereafter	<u>451,522</u>
		522,983
Less Current Portion		<u>(10,037)</u>
Long-Term Debt, Net of Current Portion		<u><u>\$ 512,946</u></u>

Caring Senior Service Franchise Partnership, L.P.

Notes to Financial Statements December 31, 2022, 2021, and 2020

8. Commitments and Obligations from Franchise Agreements

The Partnership currently franchises its concept across 17 states. The franchise arrangement is documented in the form of a franchise agreement. The franchise agreement requires the Partnership to perform various activities to support the brand that do not directly transfer goods and services to the franchisee, but instead represent a single performance obligation, which is the transfer of a franchise license. The intellectual property subject to the franchise license is symbolic intellectual property as it does not have significant standalone functionality, but substantially all of the utility derived from its association with the Partnership's past or ongoing activities. The nature of the Partnership's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license. The services provided by the Partnership are highly interrelated with the franchise license and as such are considered to represent a single performance obligation.

9. Disaggregation of Revenue

The Partnership believes that the captions contained on the statements of operations appropriately reflect disaggregation of its revenue by major type for the years ended December 31, 2022, 2021, and 2020.

10. Subsequent Events

The Partnership has evaluated the events subsequent to March 30, 2023, the date which the financial statements were available to be issued. No such events have occurred subsequent to the balance sheet date and through the date of the Partnership's evaluation that would require adjustment to, or disclosure in, the financial statement.

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

THIS AGREEMENT (“Agreement”) is made and entered into on _____, 20__ by and between Caring Senior Service Franchise Partnership, L.P., a Texas limited partnership having its principal place of business located at 201 East Park Avenue, #201, San Antonio, Texas 78212 (the “Franchisor”), and _____, an individual residing at _____ (hereinafter referred to as “Releasor”), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor, and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys’ fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. Texas law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys’ fees and costs incurred therein, and said action must be filed in the State of Texas.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

(Name)

CARING SENIOR SERVICE FRANCHISE
PARTNERSHIP, L.P.:

By Its General Partner
SENIOR HEALTH SERVICES, INC.

By: _____
Name: _____
Title: _____

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**SOFTWARE LICENSE AND MAINTENANCE AGREEMENT
FOR CARING SENIOR SERVICE FRANCHISEES**

Dated:

This Software License and Maintenance Agreement (“Agreement”) is made and entered into as of _____ (the “Effective Date”) by and between **CARING SENIOR SERVICE FRANCHISE PARTNERSHIP, L.P.** (“CSSFP”), a Texas limited partnership, having its principal offices located at 201 E. Park Ave., San Antonio, TX 78212 and:

_____ a CARING SENIOR SERVICE franchise office (“FRANCHISEE”) having its principal office at:

Address: _____

City/State/Zip: _____

RECITALS

FRANCHISEE desires to use CSSFP’s software application, Tendio™, which may include other related applications and interfaces, collectively referred to in this Agreement as the “SOFTWARE”, which will enable FRANCHISEE to manage the non-medical operations, scheduling and billing aspects of its business;

NOW, THEREFORE, BASED UPON THE FOREGOING RECITALS, THE PARTIES HEREBY CONTRACT AND AGREE AS FOLLOWS:

1. **MAINTENANCE.** CSSFP will maintain the SOFTWARE. Additionally, CSSFP will also periodically provide upgrades and enhancements to the SOFTWARE.

2. **TERM.** The initial term of this Agreement shall be one (1) year from the Effective Date (the "Initial Term"). Thereafter, this Agreement shall automatically renew for additional one (1) year terms, unless notice of non-renewal is provided by one of the parties hereto on at least ninety (90) days written notice prior to expiration of the then current term (each, a "Renewal Term"). Upon termination of this Agreement, FRANCHISEE will lose all rights to use the SOFTWARE. Notwithstanding the foregoing, this Agreement automatically terminates on the termination, expiration, or non-renewal of the Franchise Agreement executed between the parties and in connection with which this Agreement was executed.

3. **FEES.** FRANCHISEE will pay CSSFP a monthly Technology Fee for use of the Tendio™ system as communicated to FRANCHISEE from time to time in writing.

4. **CONFIDENTIALITY.** FRANCHISEE agrees to restrict access to the SOFTWARE to its authorized users. FRANCHISEE will only provide access to the SOFTWARE to its employees after informing them of their obligations regarding confidentiality under this agreement to protect CSSFP's interests in the SOFTWARE. In no case will FRANCHISEE provide access to the SOFTWARE to CSSFP’s competitors or other parties involved in or in the business of providing, client operations management, scheduling or billing software without the express written consent of CSSFP. FRANCHISEE may not allow independent contractors to view or use the SOFTWARE, unless such contractor is subject to a written confidentiality agreement with terms commensurate to those of this Agreement.

5. **PERMITTED USE.** This Agreement provides FRANCHISEE an unlimited user, non-exclusive, non-transferable, license to use the object code version of the SOFTWARE exclusively at the FRANCHISEE'S

offices for as long as this Agreement remains in effect. FRANCHISEE agrees and consents to the terms contained herein regarding its use of the SOFTWARE and any related Confidential Information. The use terms provided hereunder shall cease immediately if FRANCHISEE violates the terms contained in Paragraphs 4 above and 6 below. In such instance, FRANCHISEE'S use of the SOFTWARE shall terminate immediately upon written notice provided by CSSFP.

6. RESTRICTIONS ON USE. Except with CSSFP' written permission, FRANCHISEE shall not:

- i.) sublicense, export or otherwise transfer the SOFTWARE;
- ii.) provide remote processing or service bureau services utilizing the SOFTWARE;
- iii.) decompile, disassemble or reverse engineer the SOFTWARE;
- iv.) remove or permit to be removed from CSSFP's proprietary information, any proprietary, confidential, or copyright notices, markings or legends; or
- vi.) copy the Software or database except for archival backup purposes.

7. FRANCHISEE'S BUSINESS RESPONSIBILITY. FRANCHISEE agrees that CSSFP has no responsibility whatsoever for the conduct of FRANCHISEE'S business. FRANCHISEE agrees that any reliance upon the SOFTWARE provided under this Agreement shall not diminish FRANCHISEE'S responsibility for compliance with laws, rules or regulations pertaining to FRANCHISEE'S business. FRANCHISEE releases, defends and indemnifies CSSFP, its directors, officers, agents, employees, contractors and suppliers, from any third party claim related to the foregoing.

8. DEFAULT. Should FRANCHISEE fail to pay any amount within thirty (30) days of the invoice date, CSSFP shall have the right to add interest at the rate of one (1%) percent per month (or, if such amount is in excess of applicable laws, the maximum allowable amount) on all amounts past due. CSSFP may disable FRANCHISEE'S SOFTWARE access should there be any amounts outstanding more than sixty (60) days.

9. VERIFICATION AND AUDIT. At CSSFP's request, FRANCHISEE shall furnish CSSFP with a sworn and notarized certification verifying that the Software is being used in a manner permitted by provisions of this Agreement. CSSFP (or CSSFP's designee) may audit Licensee's use of the Software during regular business hours at FRANCHISEE'S facilities without prior notice. The audit will be conducted in a manner that shall not unreasonably interfere with FRANCHISEE'S business activities.

10. DISABLING OF THE SOFTWARE. FRANCHISEE understands that CSSFP may include a feature in the SOFTWARE that will cause the SOFTWARE to automatically cease to operate in whole or in part in the event FRANCHISEE materially breaches this Agreement, the Franchise Agreement, or fails in a timely manner to (i) submit to Franchisor the reports required by CSSFP; (ii) pay to CSSFP the required fees under this Agreement; or (iii) pay to CSSFP the Royalty Fee or any other amounts due to CSSFP under the Franchise Agreement. **CSSFP will not be liable to FRANCHISEE for any damages whatsoever that may result directly or indirectly from CSSFP's disabling of the functionality of the SOFTWARE pursuant to this Section.**

11. OWNERSHIP OF DATA. FRANCHISEE acknowledges and agrees that all data and information input and stored in the SOFTWARE is the sole and exclusive property of CSSFP and that such information is licensed to FRANCHISEE for its use solely for the direct and customary operation of the franchised business and only during the term of this Agreement.

12. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and there are no representations, understandings or Agreements relative hereto which are not fully expressed herein.

13. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the State of Texas.

IN WITNESS WHEREOF, CSSFP and FRANCHISEE have each caused this Agreement to be signed and delivered by its duly authorized officer, all as of the date first set forth above.

CSSFP:

FRANCHISEE:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

LICENSE AND SERVICE AGREEMENT

'ENKISCRIBE – INBOUND AND OUTBOUND AI PHONE CALL RECORDING, TRANSCRIBING AND ANALYTICS SERVICES'

This License and Service Agreement (“Agreement”) is made and entered into as of _____ (the “Effective Date”) by and between ENKISCRIBE, LLC, (“LICENSOR”), a Texas Limited Liability Company, having its principal offices located at 201 E Park Ave, Suite 200, San Antonio, TX 78212 and _____ a business (“AGENCY”) having its principal office at: _____.

RECITALS

AGENCY desires to use LICENSOR’S AI TECHNOLOGY, which may include other related applications and interfaces, collectively referred to in this Agreement as the “SERVICES”, which will enable AGENCY to manage inbound and outbound communications.

NOW, THEREFORE, BASED UPON THE FOREGOING RECITALS, THE PARTIES HEREBY CONTRACT AND AGREE AS FOLLOWS:

1. PAYMENT AND TERM

This Agreement commences on the Effective Date and shall initially last for twelve (12) months ("Initial Term"). It will automatically renew for successive twelve (12) month periods ("Renewal Term") unless terminated by either party with at least ninety (90) days written notice before the end of the current term. The AGENCY shall be billed in advance for the upcoming month’s services. Should this Agreement be executed at any point within a month, the CLIENT will be billed at the end of that month for the next month's services. Thereafter, billing will occur monthly, in advance of the service period. Upon termination, the AGENCY loses all rights to use the SERVICES.

2. CONFIDENTIALITY

AGENCY agrees to restrict access to LICENSOR’S AI TECHNOLOGY AND SERVICES to its authorized users. AGENCY will only provide access to the TECHNOLOGY AND SERVICES to its employees after informing them of their obligations regarding confidentiality under this agreement to protect LICENSOR’S interests in the SERVICES.

3. FEES

AGENCY will pay LICENSOR a monthly fee per office as set forth in the attached Addendum A. All payments are to be made using ACH transactions as set forth in the attached Addendum B.

4. DEFAULT

Should AGENCY’S payment for SERVICES be returned for any reason, LICENSOR will notify AGENCY and provide ten (10) business days to cure. LICENSOR will terminate SERVICES if the default remains after the ten-day cure period. Should AGENCY wish to reinstate SERVICES after termination, LICENSOR will charge AGENCY a \$250 reinstatement fee which is due in advance of reinstatement.

5. INTELLECTUAL PROPERTY, COPYRIGHT & OWNERSHIP

For the purpose of this clause intellectual property means any intellectual property associated with the Services including but not limited to all trademarks, copyrights, patents, service marks, trade names, designs, domain names, audio recordings, video recordings, photographs, broadcasting and similar rights, marketing materials, toolbox materials, commercial, industrial and other intellectual property rights (whether registered or not and whether protected by law or not) including know-how and confidential information (‘Intellectual Property’).

All Intellectual Property associated with the Services remains the sole property of the LICENSOR and the AGENCY acknowledges that it does not have any claim to any share in or ownership of those rights.

The AGENCY must ensure that neither the AGENCY, nor any of the AGENCY's employees or authorized agents, copy or reproduce any of the Intellectual Property.

6. INDEMNITY

The AGENCY hereby agrees to indemnify and hold the LICENSOR, its officers, directors, employees, and agents (collectively referred to as the "Indemnified Parties") harmless from and against any and all claims, demands, suits, actions, proceedings, liabilities, losses, damages, costs, and expenses (including reasonable attorney's fees and court costs) ("Claims") arising directly or indirectly out of or in connection with:

(a) Any unauthorized use, access, copying, reproduction, or distribution of any portion of the Services by the AGENCY, any related body corporate of the AGENCY, or an employee or authorized agent of the AGENCY;

(b) Any claim of copyright infringement in respect of any part of the Services by the AGENCY, any related body corporate of the AGENCY, or an employee or authorized agent of the AGENCY;

(c) Any material breach of this Agreement by the AGENCY;

(d) Any suit, claim, or demand brought or made against the LICENSOR by or due to the conduct, acts, or omissions of the AGENCY, or any of the AGENCY's employees or authorized agents' conduct, acts, or omissions;

(e) Any security breach, including but not limited to unauthorized access or data breach, resulting in the compromise of agency data.

The AGENCY shall promptly notify the LICENSOR in writing of any Claims and provide the LICENSOR with all information and assistance necessary to defend or settle such Claims. The LICENSOR may, at its sole discretion, choose its legal counsel for the defense of any Claims, and the AGENCY shall cooperate fully in the defense.

The obligations of indemnity set forth in this section shall survive the termination or expiration of this Agreement and continue in full force and effect.

7. GOVERNING LAW AND JURISDICTION

This Agreement is governed by the law of the State of Texas in the County of Bexar.

8. SURVIVAL

Any indemnity, exclusion of liability, or any obligation of confidence under this agreement is independent and survives termination of this Agreement. Any other term by its nature intended to survive termination of this Agreement survives termination of this Agreement.

9. NO MERGER

The rights and obligations of the parties under this agreement do not merge on completion of any transaction contemplated by this agreement.

10. SEVERABILITY

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or parts of the terms of this agreement shall continue in force.

11. WAIVER

The LICENSOR does not waive a right, power, or remedy if it fails to exercise or delays in exercising the right, power, or remedy. A single or partial exercise of a right, power, or remedy does not prevent another

or further exercise of that or another right, power, or remedy. A waiver of a right, power, or remedy must be in writing and signed by the LICENSOR.

12. DATA COLLECTION, STORAGE & MANAGEMENT

Data Collection encompasses the gathering of anonymous and non-anonymous information used for various purposes, including but not limited to tracking the marketers/office activity in the utilization of the LICENSOR Services applications. For the purpose of monitoring and enhancing the LICENSOR Services, the AGENCY hereby grants the LICENSOR unrestricted access to all data collected, stored, and managed by the LICENSOR platform.

This agreement authorizes the LICENSOR to access, utilize, and manage these data collection, storage, and management systems at its discretion, without limitation, for any lawful purpose. Such purposes may include but are not limited to improving the LICENSOR Services, analyzing usage patterns, and enhancing overall system performance.

The AGENCY acknowledges that the data collected, processed, and analyzed by the LICENSOR platform may involve the use of artificial intelligence (AI) and other automated technologies. The AGENCY further acknowledges that AI systems may not always provide accurate results, and discrepancies or errors in the data may occur. The AGENCY agrees that the LICENSOR shall not be responsible or liable for any inaccuracies, errors, or discrepancies in the data generated or provided by the LICENSOR platform.

Additionally, the LICENSOR may request and receive data collected by the AGENCY in both digital and hard copy formats, as necessary, to fulfill the objectives of this Agreement.

13. ANNUAL RENEWAL

The LICENSOR will increase the AGENCY's license and service Agreement fee at each annual anniversary by 5%.

14. TERMINATION

Either party may provide ninety (90) days' written notice to terminate the Agreement, as outlined in Section 1. Upon termination of this Agreement, the AGENCY will lose all rights to use the Services. LICENSOR retains the right to terminate SERVICES for non-payment per Section 4 above.

This Agreement represents the entire understanding between the parties and supersedes all previous representations.

<u>LICENSOR</u>	<u>ENKISCRIBE, LLC</u>
<u>Name</u>	
<u>Title</u>	
<u>Signature</u>	

<u>Agency Legal Name</u>	
<u>DBA</u>	
<u>Name</u>	
<u>Title</u>	
<u>Signature</u>	

ADDENDUM A: PRICING

AGENCY and LICENSOR mutually agree upon the pricing for the specific programs and services outlined in this Agreement. Services and prices are as follows:

<u>Service</u>	<u>Price</u>	<u>Monthly</u>	<u>Yearly</u>
<u>1. Inbound Communications</u>			
<u>2. Inbound Call Auto Grader</u>			
<u>3. Outbound Communications</u>			
<u>4. Phone System</u>			
<u>5. Coaching & Management</u>			
<u>6. Other</u>			

<u>LICENSOR</u>	<u>ENKISCRIBE, LLC</u>
<u>Name</u>	
<u>Title</u>	
<u>Signature</u>	

<u>Agency Legal Name</u>	
<u>DBA</u>	
<u>Name</u>	
<u>Title</u>	
<u>Signature</u>	

ADDENDUM B: Direct Debit/Deposit Request & Authority

Request and authority to debit the account named below and pay EnkiScribe, LLC

<u>Agency Legal Name:</u>			
<u>DBA:</u>			
<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>

AGENCY ('we/us/our') requests and authorizes EnkiScribe, LLC, to initiate debit or deposit transactions from our nominated bank account for any amounts deemed payable by EnkiScribe, LLC, for the use of ENKISCRIBE AI TECHNOLOGY AND PHONE CALL SERVICES. This includes the monthly service fee of _____ . These fees shall be deducted on the last business day of each month for the following month, in accordance with the terms of this Agreement, and will continue for the duration of our engagement with EnkiScribe, LLC.

This debit/deposit or charge will be made through the Bulk Electronic Clearing System from the account held at the financial institution nominated below and will be subject to the terms and conditions of the Direct Debit/Deposit Request Service Agreement.

<u>Financial Institution Name</u>	<u>Branch</u>		
<u>Address on Account</u>	<u>City</u>	<u>State</u>	<u>ZIP</u>
<u>Account Number</u>	<u>Routing Number</u>		
<u>Type of Account</u>	<u>Checking</u>	<u>Savings</u>	

Acknowledgment: By signing and/or providing EnkiScribe, LLC a valid instruction in this Direct Debit/Deposit Request, we understood and agree to the terms and conditions governing the debit arrangements between us and EnkiScribe, LLC as set out in this request.

<u>Name</u>	
<u>Title</u>	
<u>Signature</u>	

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

THIS COMPLIANCE QUESTIONNAIRE AND ITS RESPONSES, IF COMPLETED, ARE VOID AS TO CALIFORNIA, ILLINOIS, INDIANA, MICHIGAN, ~~MINNESTO~~MINNESOTA, VIRGINIA, AND WISCONSIN FRANCHISEES.

As you know, Caring Senior Service Franchise Partnership, L.P. (the “Franchisor”) and you are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Caring Senior Service Business (the “Franchised Business”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20____.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

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

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
- (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged _____, 20____.

Sign here if you are taking the franchise as an
INDIVIDUAL

Sign here if you are taking the franchise as a
CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature

Print Name of Legal Entity

Print Name

By: _____
Signature

Signature

Print Name

Print Name

Title

Signature

Print Name

Signature

Print Name

EXHIBIT J TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	June 19, 2023 Pending
Illinois	May 1, 2023 Pending
Michigan	May 2, 2023 Pending
Minnesota	June 29, 2023 Pending
Virginia	June 26, 2023 Pending
Wisconsin	April 29, 2023 Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

(RETURN ONE COPY TO US)

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 Caring Senior Service Franchise Partnership, L.P. 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 and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Caring Senior Service Franchise Partnership, L.P. 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, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is Caring Senior Service Franchise Partnership, L.P., located at 201 East Park Avenue, #201, San Antonio, Texas 78212. Its telephone number is (210) 757-4636.

Issuance date: ~~April 28, 2023~~ May 17, 2024

The franchise seller for this offering is:

Name	Principal Business Address	Telephone Number
Ian Klaes	201 East Park Ave., #201, San Antonio, TX 78212	(210) 226-6393

Caring Senior Service Franchise Partnership, L.P. authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document dated ~~April 28, 2023~~ May 17, 2024, that included the following Exhibits:

State Addenda to Disclosure document	F – Financial Statements
A – Agents for Service of Process, List of State Administrators	G – Form of General Release
B – Franchise Agreement with Exhibits	H – Software License and Maintenance Agreement <u>and Enkiscribe License and Service Agreement</u>
C – List of Franchisees	I – Franchise Disclosure Acknowledgment Statement
D – List of Franchisees Who Have Left the System	J – State Effective Dates
E – Table of Contents of Operations Manual	Receipts

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the completed Receipt page by mailing it to Caring Senior Service Franchise Partnership, L.P. at 201 East Park Avenue, #201, San Antonio, Texas 78212, or by faxing a copy of the signed and dated receipt to Caring Senior Service Franchise Partnership, L.P. at (210) 227-6569.

RECEIPT

(RETURN ONE COPY TO US)

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If Caring Senior Service Franchise Partnership, L.P. 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 and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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