



FRANCHISE DISCLOSURE DOCUMENT

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Executive Home Care Franchising, LLC
(a New Jersey Limited Liability Company)
8100 E. Indian School Road, Suite 201
Scottsdale, ~~AZ~~[Arizona](#) 85251
Telephone: (855) 393-2372

Email: franchising@executivehomecare.com
Home page: www.executivehomecare.com

The franchisee will operate a business providing in-home comprehensive care to home care clients and supplemental healthcare staff to institutional clients.

The total investment necessary to begin operation of an EXECUTIVE HOME CARE franchised business is ~~\$51,050~~[101,950](#) to \$1434,700. This includes \$49,900 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all 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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact Executive Home Care at 8100 E. Indian School Road, Suite 201, Scottsdale, ~~AZ~~[Arizona](#) 85251, or (855) 393-2372.

The terms of your contract will govern your franchise relationship. Do not 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 “Buying a Franchise: A Consumer Guide,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov 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 ~~26, 2023~~ as ~~22, 2024~~ (amended ~~January 31~~[April 30, 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
<u>How much can I earn?</u>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C and D.
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 B 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 Executive Home Care 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 an Executive Home Care franchisee?	Item 20 or Exhibits C and D 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 E.

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 Arizona. 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 Arizona than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in 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 ability to provide services and support to you.
4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful 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 a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that litigation be conducted outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing

and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

ITEM	PAGE
1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
2 BUSINESS EXPERIENCE	10
3 LITIGATION	10
4 BANKRUPTCY	11
5 INITIAL FEES	11
6 OTHER FEES	13
7 ESTIMATED INITIAL INVESTMENT	19
8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	23
9 FRANCHISEE'S OBLIGATIONS	26
10 FINANCING	28
11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	28
12 TERRITORY	39
13 TRADEMARKS	43
14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	45
15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	45
16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	46
17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	46
18 PUBLIC FIGURES	49
19 FINANCIAL PERFORMANCE REPRESENTATIONS	49
20 OUTLETS AND FRANCHISEE INFORMATION	56
21 FINANCIAL STATEMENTS	59
22 CONTRACTS	60
23 RECEIPTS	60
<u>1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES</u>	<u>1</u>
<u>2 BUSINESS EXPERIENCE</u>	<u>10</u>
<u>3 LITIGATION</u>	<u>10</u>
<u>4 BANKRUPTCY</u>	<u>11</u>
<u>5 INITIAL FEES</u>	<u>11</u>
<u>7 ESTIMATED INITIAL INVESTMENT</u>	<u>19</u>
<u>8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES</u>	<u>23</u>
<u>9 FRANCHISEE'S OBLIGATIONS</u>	<u>26</u>
<u>10 FINANCING</u>	<u>28</u>
<u>11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING</u>	<u>28</u>
<u>12 TERRITORY</u>	<u>39</u>
<u>13 TRADEMARKS</u>	<u>43</u>

<u>14</u>	<u>PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION</u>	<u>45</u>
<u>15</u>	<u>OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS</u>	<u>45</u>
<u>16</u>	<u>RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....</u>	<u>46</u>
<u>17</u>	<u>RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....</u>	<u>46</u>
<u>18</u>	<u>PUBLIC FIGURES.....</u>	<u>49</u>
<u>19</u>	<u>FINANCIAL PERFORMANCE REPRESENTATIONS.....</u>	<u>49</u>
<u>20</u>	<u>OUTLETS AND FRANCHISEE INFORMATION.....</u>	<u>56</u>
<u>21</u>	<u>FINANCIAL STATEMENTS.....</u>	<u>59</u>
<u>22</u>	<u>CONTRACTS.....</u>	<u>60</u>
<u>23</u>	<u>RECEIPTS.....</u>	<u>60</u>

EXHIBITS

- A Franchise Agreement (with exhibits)
- B Financial Statements and Guaranty of Performance
- C List of Franchisees
- D List of Former Franchisees
- E State Administrators/Designation of Agent for Service of Process
- F State Addenda to Franchise Disclosure Document
- G Pre-Closing Questionnaire
- H Operations Manual Table of Contents
- I Form of General Release
- J Form of Business Associate Agreement
- K Form Assignment and Assumption Agreement
- L State Effective Dates
- M Receipts

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify language in this Disclosure Document, we will refer to Executive Home Care Franchising, LLC, the franchisor, as “we,” “us,” “our,” or “Executive Care,” and to the franchisee as “you.” If you are a corporation, partnership or other entity, the word “you” also includes your owners.

Franchisor

Corporate Information

We are a New Jersey ~~Limited Liability Company~~ limited liability company formed on June 5, 2012. Our principal business address is 8100 E. Indian School Road, Suite 201, Scottsdale, ~~AZ~~ Arizona 85251. ~~We grant franchises to qualified applicants for the right to operate businesses providing in-home comprehensive care to home care clients, and supplemental healthcare staffing services to institutional clients, under the mark “EXECUTIVE HOME CARE” (each a “Franchised Business”). We do not operate any other business and have not previously operated a business similar to the one offered under this Disclosure Document although our former affiliate operated a similar business as disclosed below. We have offered franchises since June 2012. We have not previously offered, nor do we currently offer, franchises in any other line of business. Our phone number is (855) 393-2372.~~ We do not conduct business under any ~~other~~ name-

other than our corporate name. Our agents for service of process are ~~set forth on~~ disclosed in Exhibit E.

Our Business Experience

We began offering Executive Home Care businesses (“Franchised Businesses”) in June 2012. We engage in no business activities other than offering franchises for Franchised Businesses and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated a business similar to the Franchised Business. Our former affiliate owned and operated a business similar to the Franchised Business from May 2004 to November 2021.

Parents, Predecessors and Affiliates

~~Our Parent, EHC Holding Company, LLC (“EHCH”), is a Delaware limited liability company with a principal business address of 630 Fifth Avenue, Suite 400, New York, New York 10111. EHCH was formed on October 25, 2021. On November 1, 2021, EHCH acquired all of our issued and outstanding membership interests. EHCH is directly or indirectly controlled by Riverside Micro Cap Fund VI A, L.P. which is part of The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses and it maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111. On February 2, 2023, our Parent formed a subsidiary, Evive Brands, LLC (“Evive”), a Delaware limited liability company, with an address of 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 to serve as our, and our affiliate’s parent.~~

~~Prior to the November 2021 acquisition, Executive Home Care, LLC (“EHC”), was an affiliate and was owned and operated by one of our former principal officers. EHC was formed in April 2012. EHC owned the “EXECUTIVE CARE YOUR HOME CARE COMPANY®” trade name and trademarks from April 2012 to April 2017. In April 2017, ownership of the “EXECUTIVE CARE YOUR HOME CARE COMPANY®” trade name and trademarks was assigned to us. EHC operated a business similar to the Franchised Business offered in this Disclosure Document from May 2004 through November 1, 2021. Thereafter, EHC was sold to a third party and is no longer licensed to use the Executive Care marks EHC’s predecessor, Executive Care, LLC, owned the “EXECUTIVE CARE YOUR HOME CARE COMPANY®” trade name and marks from August 2004 to April 2012. In April 2012, EHC acquired all of its assets.~~

~~We are affiliated with ALL Franchising, LLC, a Delaware limited liability company organized on August 22, 2022, with a principal business address at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. Since May 2006, ALL Franchising, LLC and its predecessors have offered franchises to operate home based businesses that assist~~ We do not have any predecessors. Our direct and indirect parent companies include:

<u>PARENT COMPANIES</u>		
<u>Company Name</u>	<u>Principal Business Address</u>	<u>Direct or Indirect Parent</u>
<u>Evive Brands, LLC (“Evive”)</u>	<u>Same as ours</u>	<u>Direct</u>
<u>EHC Holding Company, LLC (“EHCH”)</u>	<u>630 Fifth Avenue, Suite 400 New York, New York 10111</u>	<u>Indirect</u>
<u>Riverside Micro-Cap Fund VI-A, L.P.*</u>	<u>45 Rockefeller Center 630 Fifth Avenue, Suite 400 New York, New York 10111</u>	<u>Indirect</u>

* Riverside Micro-Cap Fund VI-A, L.P. is part of The Riverside Company, which is a global private equity firm focused on investing in and acquiring growing businesses. Riverside Micro-Cap Fund VI-A, L.P. indirectly acquired our franchise system in November 2021.

We do not have any affiliates that provide goods or services to our franchisees. As further described in the table below, we have 3 affiliates that offer franchises in other lines of business. None of these affiliates have operated an Executive Home Care business.

<u>AFFILIATE FRANCHISING COMPANIES</u>				
<u>Franchised Business</u>	<u>Name of Affiliate Franchisor</u>	<u>Principal Place of Business</u>	<u>Period of Time Franchises Offered by Affiliate</u>	<u>Number of Open Franchisees in US (as of 12/31/2023)</u>
<u>Grasons¹</u>	<u>B & P Burke, LLC</u>	<u>Same as ours</u>	<u>November 2014 to present</u>	<u>50</u>
<u>Assisted Living Locators²</u>	<u>ALL Franchising, LLC</u>	<u>Same as ours</u>	<u>August 2022 to present</u>	<u>147</u>
<u>Brothers Gutters³</u>	<u>Brothers Parsons Franchising LLC</u>	<u>Same as ours</u>	<u>November 2023 to present</u>	<u>110</u>

1. Grasons is a business that specializes in estates sale and business liquidation services under the trade name GRASONS®.

~~2. Assisted Living Locators is a home-based business that assists~~ seniors and their families in locating assisted living facilities, memory care communities, nursing homes, senior care homes and independent living senior communities under the ~~mark “ASSISTED LIVING LOCATORS”.~~ ~~As of December 31, 2022, ALL Franchising, LLC had 134 franchises operating in the United States.~~ service mark ASSISTED LIVING LOCATORS®.

~~We are also affiliated with B & P Burke, LLC, a California limited liability company incorporated on May 8, 2014 and converted to a limited liability company on November 16, 2022, with its principal place of business at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. Since November 2014, B & P Burke, LLC has offered franchises under the mark “Grasons” and “Grasons Estate Sale Services” to operate a business that specializes in the sale of personal property for individuals, trustees and personal representatives due to long distance moves, divorce, death, or bankruptcy. As of December 31, 2022, B & P Burke, LLC had 31 franchises operating in the United States.~~

~~2.3. We are also affiliated with Brothers Parsons Franchising LLC, a New York limited liability company formed on November 15, 2023, with its principal place of business at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 (“Brothers”). On November 17, 2023, Brothers merged with The Brothers Franchising, Corp., a New York corporation incorporated on July 22, 2022, with its principal business address at 55 Page Park Drive, Poughkeepsie, NY 12603, and Brothers is the surviving entity. Since July 2014, Brothers and its predecessors have offered franchises under the mark “The Brothers that just do Gutters” to operate is a business that provides gutter installation, maintenance, cleaning, repair, and related services and products. As of December 31, 2022, Brothers had 93 franchises operating in the United States. under the service mark THE BROTHERS THAT JUST DO GUTTERS®.~~

~~Except as disclosed above, we We do not have no any other parents, predecessors, or affiliates that offer franchises in this or any other line of business, or provide products or services to you on our behalf.~~

Other Riverside Company Portfolio Franchise Companies

Through various private equity funds managed by The Riverside Company, the following portfolio companies of The Riverside Company ~~The Franchise Offered~~

~~The Franchised Business provides in-home comprehensive care to home care clients and provides supplemental healthcare staff to institutional clients. As of the issuance date of this Disclosure Document, franchisees will, subject to applicable state law, offer non-medical companion caregiver in-home care service and supplemental healthcare staffing.~~

~~Franchised Businesses are licensed to operate under the offer franchises in the US:~~

EverSmith Brands

<u>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY</u> <u>(EVERSMITH BRANDS)</u>			
<u>Franchised Business</u>	<u>Name of Franchisor</u>	<u>Principal Place of Business</u>	<u>Number of Open Franchisees in US</u> <u>(as of 12/31/2023)</u>
<u>1. US Lawns</u>	<u>U.S. Lawns, Inc.</u>	<u>6700 Forum Drive, Suite 150</u> <u>Orlando, Florida 32821</u>	<u>208</u>
<u>2. milliCare Floor & Textile Care</u>	<u>milliCare Franchising, LLC</u>	<u>1515 Mockingbird Lane, Suite 410</u> <u>Charlotte, North Carolina 28209</u>	<u>56</u>
<u>3. Kitchen Guard</u>	<u>Kitchen Guard Franchising, Inc.</u>	<u>1515 Mockingbird Lane, Suite 410</u> <u>Charlotte, North Carolina 28209</u>	<u>0</u>

1. US Laws is a business that offers outdoor commercial property and landscaping services mark US LAWS.
2. milliCare is a business that offers cleaning and maintenance of floor coverings and interior finishes and related services under the service mark “EXECUTIVE MILLICARE FLOOR & TEXTILE CARE YOUR HOME
3. Kitchen Guard is a business that offers commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services under the service mark KITCHEN GUARD.

Head-To-Toe Brands

<u>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY</u> <u>(HEAD-TO-TOE BRANDS)</u>			
<u>Franchised Business</u>	<u>Name of Franchisor</u>	<u>Principal Place of Business</u>	<u>Number of Open Franchisees in US (as of 12/31/2023)</u>
<u>1. Bishops</u>	<u>BCC Franchising, LLC</u>	<u>Terminal Tower 50 Public Square</u> <u>29th Floor</u> <u>Cleveland, Ohio 44113</u>	<u>42</u>
<u>2. Frenchies Modern Nail Care</u>	<u>Frenchies, LLC</u>	<u>2679 West Main #363</u> <u>Littleton, Colorado 80120</u>	<u>23</u>
<u>3. Lash Lounge</u>	<u>The Lash Franchise Holdings, LLC</u>	<u>4370 Varsity Drive, Suite G.</u> <u>Ann Arbor, Michigan 48108</u>	<u>127</u>

1. Bishops is a business that offers haircuts, coloring, and barber services under the service mark BISHOPS.
2. Frenchies is a business that offers hand and foot care under the service mark FRENCHIES MODERN NAIL CARE-COMPANY®.
3. Lash Lounge is a business that offers permanent and ~~such other marks as we designate~~ (temporary eyelash and eyebrow extensions and other eye enhancing services under the service mark LASH LOUNGE.

Best Life Brands

<u>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY</u> <u>(BEST LIFE BRANDS)</u>			
<u>Franchised Business</u>	<u>Name of Franchisor</u>	<u>Principal Place of Business</u>	<u>Number of Open Franchisees in US (as of 12/31/2023)</u>
<u>1. Blue Moon Estate Sales</u>	<u>Blue Moon Franchise Systems, LLC</u>	<u>900 Wilshire Drive, Suite 102</u> <u>Troy, Michigan 48084</u>	<u>109</u>
<u>2. Boost Home Healthcare</u>	<u>Boost Franchise Systems, LLC</u>	<u>900 Wilshire Drive, Suite 102</u> <u>Troy, Michigan 48084</u>	<u>6</u>
<u>3. ComForCare Home Care</u>	<u>ComForCare Franchise Systems, LLC</u>	<u>900 Wilshire Drive, Suite 102</u> <u>Troy, Michigan 48084</u>	<u>230</u>
<u>4. CarePatrol</u>	<u>CarePatrol Franchise Systems, LLC</u>	<u>900 Wilshire Drive, Suite 102</u> <u>Troy, Michigan 48084</u>	<u>172</u>
<u>5. Next Day Access</u>	<u>Next Day Access, LLC</u>	<u>3150 Stage Post Drive Suite 101</u> <u>Bartlett, Tennessee 38133</u>	<u>27</u>

1. Blue Moon is a business that sells personal property as well as the ~~“Marks” or~~ provision of consignment sales for those who are downsizing, relocating, or are deceased under the ~~“Proprietary Marks”~~. We have service mark BLUE MOON ESTATE SALES.
2. Boost is a business that offers intermittent care ordered by a doctor and performed by a home health aide and other licensed healthcare providers to patients of all ages with acute and chronic long-term complex health conditions within the ~~right to change, modify and/or alter~~ patient’s residence or within health care facilities under the ~~Marks at any time~~ mark BOOST HOME HEALTHCARE.
- ~~3. ComForCare is a business that offers (a) companionship and personal/domestic care services, and other~~

special needs services, primarily on a non-medical basis, for seniors and people of all ages so that they may remain in their residences, (b) supplemental healthcare staffing services for persons who need this kind of assistance in their home or a facility in which they reside, and (c) private duty nursing services, all under the future, without restriction mark COMFORCARE HOME CARE.

~~Before you begin operating the Franchised Business, you must obtain all required federal and state licenses for your Franchised Business. Some states require that you obtain accreditation. While we recommend that you obtain accreditation, we do not require it. The only approved accrediting organization is Community Health Accreditation Program (“CHAP”). You must maintain all required licenses and any other certifications or accreditations that we may require in good standing throughout the term of your franchise agreement.~~

4. CarePatrol is a business that offers senior living placement, referral, and consulting services to families under the mark CAREPATROL.

5. Next Day is a business that offers ramps and other products and accessories that enhance the life of physically disabled or challenged persons under the mark NEXT DAY ACCESS.

Threshold Brands

<u>OTHER PORTFOLIO COMPANIES OF THE RIVERSIDE COMPANY</u>			
<u>(THRESHOLD BRANDS)</u>			
<u>Franchised Business</u>	<u>Name of Franchisor</u>	<u>Principal Place of Business</u>	<u>Number of Open Franchisees in US (as of 12/31/2023)</u>
<u>1. Maid Pro</u>	<u>Maid Pro Franchise, LLC</u>	<u>77 North Washington Street Boston, Massachusetts 02114</u>	<u>238</u>
<u>2. Patio Patrol</u>	<u>FlyFoe, LLC d/b/a Patio Patrol</u>	<u>77 North Washington Street Boston, Massachusetts 02114</u>	<u>7</u>
<u>3. Men in Kilts</u>	<u>Men in Kilts US, LLC</u>	<u>77 North Washington Street Boston, Massachusetts 02114</u>	<u>20</u>
<u>4. Pestmaster</u>	<u>Pestmaster Franchise Network, LLC</u>	<u>9716 South Virginia Street, Suite E Reno, Nevada 89511</u>	<u>52</u>
<u>5. USA insulation</u>	<u>USA Insulation Franchise, LLC</u>	<u>17700 Saint Clair Avenue Cleveland, Ohio 44110</u>	<u>100</u>
<u>6. Granite Garage Floors</u>	<u>Granite Garage Floors Franchising, LLC</u>	<u>110 Mansell Circle, Suite 375 Roswell, Georgia 30075</u>	<u>44</u>
<u>7. Mold Medics</u>	<u>Mold Medics Franchising, LLC</u>	<u>811 Washington Avenue Carnegie, Pennsylvania 15106</u>	<u>1</u>
<u>8. Sir Grout</u>	<u>Sir Grout Franchising, LLC</u>	<u>77 North Washington Street Boston, Massachusetts 02114</u>	<u>62</u>
<u>9. Miracle Method</u>	<u>Miracle Method, LLC</u>	<u>4310 Arrowswest Drive Colorado Springs, Colorado 80907</u>	<u>194 (2 Master franchises)</u>
<u>10.Plumbing Paramedics</u>	<u>PHP Franchise, LLC</u>	<u>750 E. 150th Street Noblesville, Indiana 46060</u>	<u>5</u>
<u>11.Heating + Air Paramedics</u>	<u>PHP Franchise, LLC</u>	<u>750 E. 150th Street Noblesville, Indiana 46060</u>	<u>5</u>

1. Maid Pro is a business that offers home cleaning services for residential and commercial customers under the mark MAID PRO.

2. Patio Patrol is a business that offers residential and commercial mosquito, wasp, fly, tick control and other

general pest control services under the mark PATIO PATROL.

3. Men in Kilts is a business that offers window cleaning, gutter cleaning, pressure washing, siding cleaning, snow removal and other related services under the mark MEN IN KILTS.
4. Pestmaster is a business that offers structural and agricultural pest control and related services under the mark PESTMASTER.
5. USA Insulation is a business that offers residential insulation services under the mark USA INSULATION.
6. Granite Garage Floors is a business that sells and installs residential garage floor coating systems under the mark GRANITE GARAGE FLOORS.
7. Mold Medics is a business that offers mold remediation, air duct cleaning, radon testing and mitigation services, and other services and products under the mark MOLD MEDICS.
8. Sir Grout is a business that offers grout and tile cleaning, sealing, caulking and restoration services and other services under the mark SIR GROUT.
9. Miracle Method is a business that offers refinishing and restoration of bathtubs, sinks, showers, tiles, countertops and similar surfaces under the mark MIRACLE METHOD.
10. Plumbing Paramedics is a business that offers plumbing service franchises under the mark PLUMBING PARAMEDICS.
11. Heating + Air Paramedics is a business that offers heating and air conditioning installation and service franchises under the mark HEATING + AIR PARAMEDICS.

The Franchise Offered

If you sign a Franchise Agreement with us, you will develop and operate a business (your “Business” or your “Franchised Business”) that provides: (a) in-home comprehensive care and non-medical services to home care clients; and (b) supplemental healthcare staffing services to institutional clients. Due to the nature of the business, you must have sufficient qualified staff available for your clients 24 hours a day, 7 days a week. You must ensure that you have backup staff members who are able to fill in for absentee staff.

You will market your in-home care services to individuals of varying needs. You will design a customized care plan for each home care client after your staff (or a Registered Nurse or such other professional as required by applicable law) has evaluated his or her needs. You will match the client, or a family member of the client, with a qualified, pre-screened caregiver who is compatible with the client’s needs. Subject to restrictions imposed under applicable laws, your Franchised Business will also offer companionship services and assistance with various matters such as: medication reminders, ~~provide bath visits, provide;~~ personal care and bathing needs; meal preparation ~~and personal care, transport clients;~~ transportation to and from doctor’s appointments, ~~and provide companionship services (provided that you are licensed and authorized under applicable, Applicable law to do so).~~ may prohibit you from providing certain services unless you hold a required license.

~~You are required to have sufficient qualified staff available to your clients on a regular basis to fill in for absentee staff. You must offer staff 24 hours a day, 7 days a week.~~ We will license you the right to use certain service marks, trademarks, trade names, logos or other commercial symbols that we authorize from time to time, including EXECUTIVE HOME CARE® and the associated logos (the “Marks”). You will operate the Business under our prescribed business format and operating system (the “System”), which we may change from time to time. Our confidential Operations Manual (the “Manual”) describes the operational aspects of an Executive Home Care business. You will operate your Business using the Marks, the System, the information in the Manual, and the support, guidance and other methods and materials we provide.

Market Competition

You will face competition from numerous local, regional and national service providers, including independent and franchised businesses as well as national chains. You may face competition from us, our affiliates and other franchisees. Competition in the area of home health-care services and healthcare staffing services is well developed and competitive and may impact your Franchised Business. The market for the services offered by the Franchised Business is well developed and highly competitive.

Industry-Specific Regulations

You must comply with all federal, state, and local laws, rules and regulations pertaining, directly or indirectly, to the Franchised Business, including regulations pertaining to the health care industry, Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), professional and facility licensing, privacy law, insurance requirements, bonding requirements, regulations relating to health, safety and sanitation, as well as state and municipal license and certification requirements. You are also required to comply with all laws, rules and regulations of general application, including workers’ compensation, corporate, tax, environmental, sanitation, insurance, smoking, EEOC, OSHA, non-discrimination, labor laws, employment and sexual harassment laws.

To comply with HIPAA, you and Executive Care must execute a Business Associate Agreement in the form we prescribe in the Operations Manual (“Operations Manual” or “Manual”). A copy of the current form of Business Associate Agreement is attached to this Disclosure Document in **Exhibit J**. Additionally, you must comply with other federal, state and local laws and regulations relating to the access, confidentiality, use and disclosure of medical records, the privacy of insurance information and other privacy protection acts.

Before you begin operating the Franchised Business, you must obtain all required federal and state licenses for your Franchised Business. Some states require that you obtain accreditation. While we recommend that you obtain accreditation, we do not require it. You must maintain all required licenses and any other certifications or accreditations that we may require in good standing throughout the term of your franchise agreement.

You must obtain and maintain all health care and employment related permits, licenses, and certifications and other indications of authority necessary for the operation of your Franchised Business, including, without limitation, a home health agency license, nurse staffing and/or employment agency license. Some jurisdictions may also require you to obtain and maintain a Certificate of Need and a license to provide employment services. You must also obtain any other particular permit, license or accreditation that we designate. Note that some states have imposed a moratorium on the issuance of home health agency licenses, nurse staffing licenses, and other in-home healthcare licenses or permits. Depending on the state in which your Franchised Business is located, you may need to comply with certain state licensing requirements in order to offer certain supplemental healthcare staffing from your Franchised Business. You should also be aware of pending legislation that may affect your Franchised Business in the future.

You are responsible for complying with all applicable laws, rules and regulations, and for investigating the availability and requirements for obtaining all necessary licenses, permits, certifications, and accreditations relating to the operation of your Franchised Business in your state. We have resources available as a reference to you, but you are solely responsible for investigating, understanding and complying with the laws, rules, regulations and requirements applicable to you and your Franchised Business. –You are prohibited from participating in Medicare and Medicaid governmental payor programs.

ITEM 2 BUSINESS EXPERIENCE

~~Manager and Chairman of Board of Managers: — Cathy Skula~~ and Director—Tom Silk

Tom Silk has served~~Ms. Skula serves~~ as a Manager and our Chairman ~~of our Board of Managers~~ and Director since ~~August 1, 2023, and serves in February 2024. Since February 2024, he has held~~ the same ~~roles for positions with: (a) our parent, Evive, and; (b) our affiliates. Ms. Skula joined The Riverside Company in August 2022 as an Operating Partner in its Santa Monica, California office. Previously, Ms. Skula served~~

~~with~~, B & P Burke, LLC, ALL Franchising, LLC and Brothers Parsons Franchising LLC; and (c) Eversmith Brands, Head-to-Toe Brands and Threshold Brands. From September 2022 to present, he has served as Chairman for TES Solutions in Cleveland, Ohio. ~~Between 2013 and August 2022, he held various positions at Rent-A-Center, Inc. in Plano, with WorkStride in New York, New York Texas from January 22, 1994, through April 2022 including as President and CEO of Rent-A-Center Franchising International, (a wholly owned subsidiary of Rent-A-Center, Inc.~~

~~) Chief Executive Officer: (October 2019 to August 2022); (b) Chief Customer Officer (July 2017 to October 2019); and (c) Executive Vice President and Member of the Board of Directors (2013 to October 2019).~~

Chief Executive Officer: Ryan Parsons

Mr. Parsons has served as our Chief Executive Officer, ~~as well as the Chief Executive Officer for our parent Evive~~ since November 2023. ~~Previously,~~ Since November 2023, he has held the same position with our parent Evive and our affiliates B & P Burke, LLC, ALL Franchising, LLC and Brothers Parsons Franchising LLC. From July 2014 to November 2023, ~~he~~ Mr. Parsons served as co-founder and Vice President of our affiliate, Brothers Parsons Franchising LLC, and its predecessor, The Brothers Franchising, Corp. ~~since its inception in July 2014.~~ Since 2002, Mr. Parsons has also served as the Vice President of Brothers Parsons HV LLC, f/k/a The Brothers That Just Do Gutters HV, Inc., which owns and operates the original The Brothers That Just Do Gutters business located in Poughkeepsie, New York.

Brand President: Kevin Porter

Mr. Porter ~~was elevated to~~ has served as our Brand President ~~in~~ (January 2023 ~~to present~~) and ~~Mr. Porter previously served as our~~ Senior Vice President ~~for~~ of Operations ~~from~~ (June 2022 ~~until~~ to January 2023). ~~Mr. Porter served as vice president of field operations and later vice president of strategic growth at Right at Home, located in Omaha, Nebraska. From March 2003 through January 2019, Mr. Porter Porter previously held various the following positions at Comfort Keepers, located in Irvine, California with Right at Home in Omaha, Nebraska: (a) Vice President of Operations (September 2019 to March 2021) and (b) Vice President of Strategic Growth (March 2021 to January 2022).~~

President, Secretary and Manager: — Caroline Quoyeser

Ms. Quoyeser ~~serves~~ has served as our, ~~and our affiliates'~~ Manager, President and ~~a Manager~~ Secretary since November 1, 2021, ~~and serves in.~~ She has held the same ~~roles for~~ positions with our parent Evive (since February 2023) and our affiliates B & P Burke, LLC (since November 2021, ALL Franchising, LLC (since November 2021) and Brothers Parsons Franchising LLC (since November, 2023). ~~Ms. Quoyeser currently is a Senior Associate in~~ joined The Riverside Company, in June 2016 as a Summer Analyst in its Santa Monica, California office, ~~and has been with the company since 2016.~~ Since that time, she has held the following positions: (a) Summer Analyst (June 2016 to August 2016); (b) Private Equity Analyst (June 2017 to June 2019); (c) Senior Associate (June 2021 to January 2023); and (d) Assistant Vice President (January 2023 to present).

Senior Vice President of Training and Development and Manager: Ken Parsons

Mr. Parsons has served as our ~~Manager~~ and ~~our affiliates'~~, Senior Vice President of Training and Development ~~and a Manager~~ since November ~~22,~~ 2023. ~~Mr.~~ Since November 2023, he has also held the same positions with our parent Evive and our affiliates B & P Burke, LLC, ALL Franchising, LLC and Brothers Parsons ~~was~~ Franchising LLC. From July 2014 to November 2023, he served as co-founder and President of our affiliate, Brothers Parsons Franchising LLC, and ~~from July 2014 until November 2023 served as its predecessor's~~ ~~President.~~ predecessor, The Brothers Franchising, Corp. Since its founding in 1999, Mr. Parsons has also served as the President of Brothers Parsons HV LLC f/k/a The Brothers ~~that just do~~ That Just Do Gutters HV, Inc., which owns and operates the original The Brothers ~~that just do~~ That Just Do Gutters business located in Poughkeepsie, New York.

Vice President and Manager: L. Joseph Lee

Mr. Lee ~~serves~~ has served as our ~~Manager~~ and ~~our affiliates'~~, Vice President ~~and a Manager~~ since November ~~1,~~ 2021, ~~and serves in.~~ He has held the same ~~roles for~~ positions with our parent Evive (since February 2023) and our affiliates B & P Burke, LLC (since November 2021), ALL Franchising, LLC (since November 2021) and Brothers Parsons Franchising LLC (since November, 2023). ~~Mr.~~ ~~Mr.~~ Lee currently is a Senior Partner in the ~~joined~~ The Riverside Company, ~~having been with the company since in~~ March 2006, ~~located as a Principal~~ in its Cleveland, Ohio office. ~~He has served as a Senior Partner since April 2013.~~

Chief Financial Officer: Gregory Esgar

Mr. Esgar ~~joined us in May 2022~~ has served as our ~~and our parent Evive's,~~ Chief Financial Officer. ~~Mr. Esgar also serves as~~ since May 2022. He has held the ~~Chief Financial Officer for our same position with our~~ parent Evive (since August 2023) and our affiliates ~~B & P Burke, LLC (since May 2022), ALL Franchising, LLC (since May 2022) and Brothers Parsons Franchising LLC (since November, 2023).~~ From April 2018 ~~until~~ to May 2022, Mr. Esgar served as Chief Financial Officer for Prose Franchising in Phoenix, Arizona. ~~Mr. Esgar served as Chief Financial Officer of BrightStar Care from September 2016 until April 2018, in Gurnee, Illinois.~~

Chief Growth Officer: Jason Wiedder

Mr. Wiedder ~~joined us in December 2021~~ has served as our ~~and Evive's affiliate's,~~ Chief Growth Officer. ~~He served as Vice President of Franchise Development from March 2018 until~~ since December 2021. He has held the same positions with our parent Evive (since February 2023) and our affiliates B & P Burke, LLC (since December 2021 ~~for Always Best Care located in Roseville, California. Previously, Mr. Wiedder was the Vice President of Franchise Development at Brain Balance, in Walnut Creek, California, from June 2017 until March 2018.~~), ALL Franchising, LLC (since December 2021) and Brothers Parsons Franchising LLC (since November, 2023). From ~~February 2015~~ March 2018 to ~~June 2017~~ December 2021, he

served as Vice President of Franchise Development for ~~A-Right Place for Seniors~~ Always Best Care located in ~~Chino Hills~~ Roseville, California.

Business and Operations Consultant: Rima Chaudhari

Ms. Chaudhari joined us as our franchise and operations business consultant in ~~November 2021.~~ ~~Previously, Ms. January 2018.~~ From September 2016 to January 2018, Ms. Chaudhari served as Client Care Manager for Home Care Assistance in Plainsboro, New Jersey ~~from September 2016 through January 2018.~~

ITEM 3 LITIGATION

The following Settlement Order is currently effective against our affiliate Brothers Parsons Franchising LLC:

On January 6, 2016, our affiliate's predecessor, The Brothers Franchising, Corp., entered into a Settlement Order with the Commonwealth of Virginia, State Corporation Commission, Division of Securities and Retail Franchising relating to an unregistered sale of a franchise territory in Virginia (case number SEC-2015-00056). The transaction at issue involved the sale of a The Brothers That Just Do Gutters franchise territory in Virginia to the father of Ryan and Ken Parsons (who are the co-founders of that franchise system) before the franchise was registered in Virginia. The Settlement Order: (a) required The Brothers Franchising, Corp. to pay a \$2,000 penalty plus \$500 for the cost of the investigation; and (b) prohibited The Brothers Franchising, Corp. and its successors from violating Virginia's Retail Franchising Act in the future.

The following matters involve us:

Executive Home Care Franchising, LLC v. Marshall Health Corp., Well-Being Home Corp., Clint Marshall, Massare Marshall and Greer Marshall, US District Court for District of New Jersey; Case No. 15-ch-00760 (filed February 3, 2015); Executive Home Care Franchising, LLC v. Marshall Health Corp., Well-Being Home Corp., Clint Marshall, Massare Marshall and Greer Marshall, AAA Case No.: 01-15-0003-2409 (decided July 2016). ~~This matter was originally filed by Executive Care February 3, 2015)~~

On February 3, 2015, we filed a lawsuit against a former franchisee and its principals and affiliated companies, including Marshall Health Corp., Well-Being Home Corp., Clint Marshall, Massare Marshall and Greer Marshall (collectively, the "Marshall Defendants") on February 3, 2015, in the United States US District Court for the District of New Jersey (Case No. 15-cv-00760) (the "District Court Action") alleging: violations of the in-term and post termination restrictive covenant contained in their Executive Home Care Franchise Agreement; trademark and trade dress infringement; unfair competition through the operation of an independent in-home care business using the proprietary and confidential business information and client lists belonging to ~~Executive Care, us;~~ and breach of multiple payment and other obligations contained in the Franchise Agreement. ~~On or about,~~ March 13, 2015, the Marshall Defendants asserted counterclaims against ~~Executive Home Care us~~ for: breach of contract; breach of duty of good faith and fair dealing; fraudulent inducement; tortious or malicious interference with contract; intentional or malicious interference with prospective economic advantage; violation of the New Jersey Franchise Practices Act; and unjust enrichment. On April 17, 2015, ~~Executive Care we~~ filed a motion to dismiss all of the counterclaims or in the alternative to compel arbitration of all claims. The District Court granted ~~Executive Care's our~~ motion to compel arbitration. ~~Executive Care~~

On February 3, 2015, we filed an arbitration action with the American Arbitration Association ~~alleging. The parties asserted claims and counterclaims in the arbitration action that were~~ substantially the same ~~claims against the Marshall Defendants as alleged in the District Court Action, and the Marshall Defendants those~~ filed a counterclaim ~~alleging substantially the same claims as alleged~~ in the District Court Action. ~~On July 25, 2016,~~ the arbitrator denied ~~all our~~ claims ~~brought by Executive Care~~ and awarded the Marshall Defendants \$215,386 in damages, costs and expenses.

[Executive Home Care Franchising, LLC v. Specialized Home Care Providers, LLC, Michael Creatore and Nicholas Kerpsack](#), US District Court for District of New Jersey; Case No. 15-ch-01486 (filed February 27, 2015); [Executive Home Care Franchising, LLC v. Specialized Home Care Providers, LLC, Michael Creatore and Nicholas Kerpsack](#), AAA Case No.: 01-15-0003-4773 (filed in September /October 2015). ~~This matter was originally~~

On February 27, 2015, we filed ~~by Executive Care~~ a lawsuit against a former franchisee and its principals, including Specialized Home Care Providers, LLC, Michael Creatore and Nicholas Kerpsack (collectively, “Defendants”) ~~on February 27, 2015, in the United States~~ US District Court for the District of New Jersey (~~Case No. 15-ev-01486~~) (the “NJ Action”) ~~alleging~~. Our complaint alleged: violations of the in-term and post termination restrictive covenants contained in their Executive Home Care Franchise Agreement; trademark and trade dress infringement; unfair competition through the operation of an independent in-home care business using the proprietary and confidential business information and client lists belonging to ~~Executive Care, us;~~ and breach of multiple payment and other obligations contained in the Franchise Agreement. On ~~or about~~ April 2, 2015, the Defendants asserted counterclaims against ~~Executive Home Care~~ us for: breach of contract; breach of duty of good faith and fair dealing; fraudulent inducement; violation of the New Jersey Franchise Practices Act; and unjust enrichment. On April 23, 2015, ~~Executive Care~~ we filed a motion to compel arbitration, which motion was granted on October 26, 2015. ~~Executive Care~~

On or about September/October 2015, we filed an arbitration action with the American Arbitration Association ~~alleging. The parties asserted claims and counterclaims in the arbitration action that were~~ substantially the same ~~claims against the Defendants as alleged in the NJ Action, and the Defendants~~ those filed ~~a counterclaim alleging substantially the same claims as alleged~~ in the NJ Action. ~~On or about~~ November 23, 2016, the parties entered into a Settlement Agreement under which the Defendants agreed to pay ~~Executive Care~~ us \$55,000 and ~~Executive Care~~ we agreed to release the Defendants from the post termination restrictive covenants contained in the Executive Home Care Franchise Agreement.

~~In addition to the foregoing, the following Settlement Order is currently effective against our affiliate:~~

~~On January 6, 2016, our affiliate, The Brothers Franchising, Corp., entered into a Settlement Order, case number SEC-2015-00056, with the Commonwealth of Virginia, State Corporation Commission, Division of Securities and Retail Franchising and paid a penalty of \$2,000 related to an unregistered sale of a franchise territory in Virginia. The Brothers Franchising, Corp. also paid \$500 for the cost of investigation. The sale was part of a 2015 transaction where the affiliate sold a Virginia territory to the father of our affiliate’s founders prior to being registered in the Commonwealth of Virginia. Our affiliate agreed to not violate the act in the future.~~

~~Other than these three actions, no~~ No litigation is required to be disclosed in this Item except for the 3 matters described above.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

~~Except as set forth below, you must pay an initial franchise fee in a lump sum of \$49,900 upon signing the Franchise Agreement. If at the same time you sign the Franchise Agreement, you enter into additional Franchise Agreements, the initial franchise fee for your second Franchised Business will be reduced to \$39,900, and the initial franchise fee for your third Franchised Business will be reduced to \$34,900.~~

~~**Veteran Discount.** If you are a qualifying veteran or member of the U.S. armed forces, the initial franchise fee for your first Franchise will be 10% less or \$44,550 for the first Franchise Agreement, \$35,550 for the second Franchise Agreement and \$31,050 for the third. To qualify, you must be a veteran who has received an honorable discharge from the U.S. Military, and you must give us a copy of your Form DD-214 showing your status as a veteran.~~

~~**Diversity Ownership** When you sign a Franchise Agreement, you must pay us a nonrefundable initial franchise fee of \$49,900. We offer the following discounts:~~

~~**Discount:** We provide a 5% discount off the initial franchise fee for the first franchise purchased to eligible first-time who buyers who self-identify as Black, Asian, Hispanic and Native American buyers, or otherwise belonging to a racial or ethnic minority group.~~

~~* Discounts noted above may not be combined. For example, if you qualify for the veteran, and a diversity ownership discount, you will only receive a 10% discount (not 15%).~~

~~**Optional Fee Structure:** In addition to the standard \$49,900 initial franchise fee described above, we offer two other options if you are purchasing only a single unit, one in which you will pay a \$20,000 initial franchise fee but pay an increased monthly royalty fee of 6% of Net Billings for the entirety of the initial term of the Franchise Agreement, and another in which you will pay no initial franchise fee but pay an increased monthly royalty fee of 7% of Net Billings for the entirety of the initial term. If you elect either of these two optional fee structures, you can pay the balance of the \$49,900 (i.e. pay the \$29,900 or \$49,900 difference between what you paid and the \$49,900 initial franchise fee) at any time and revert to the standard 5% monthly royalty rate.~~

Single Unit Initial Fee Option Type of Discount*	Discount Monthly Royalty Rate	Qualifications for Discount
\$49,900 Veterans Discount	10% discount	5% of Net Billings Person holding at least a 51% interest in the franchise is an honorably discharged veteran of any branch of the United States military and provides Form DD-214.
\$20,000 Diversity Discount	5% discount	6% of Net Billings Person holding at least a 51% interest in the franchise is a member of a recognized minority group as designated by the SBA.
\$0 Multi-Unit Discount	Franchise 1 – No discount Franchise 2 – \$10,000 discount Franchise 3 and up – \$15,000 discount	7% of Net Billings You must (a) purchase 2 or more Franchises from us at the same time, (b) sign Franchise Agreements for all of the Franchises at the same time, (c) pay full \$49,900 initial franchise fee for 1st Franchise and discounted initial franchise fee for each additional Franchise at same time.

~~* The Veterans Discount and Diversity Discount may not be combined (if you qualify for both, you receive the higher 10% discount). If you qualify for the Multi-Unit Discount and you also qualify for either (a) the Veterans Discount or (b) both the Veterans Discount and the Diversity Discount, you will receive the Multi-Unit Discount plus an additional 10% off the total aggregate discounted initial franchise fees. If you qualify for the Multi-Unit Discount and you also qualify for the Diversity Discount (but not the Veterans Discount), you will receive the Multi-Unit Discount plus an additional 5% off the total aggregate discounted initial franchise fees.~~

In some instances in 2023, we sold additional franchises to existing franchisees for a discounted initial franchise fee of \$29,900.

The initial franchise fee is uniformly imposed except for the discounts disclosed above.

Initial Training Fee

~~All initial franchise fees are payable to us and are non-refundable. We reserve the right to alter the Initial Franchise Fee as business circumstances warrant.~~

~~Except as described in this Item, you are not required to pay us any additional fees before you open.~~

The initial franchise fee includes initial training for up to 2 individuals. If you send more people to our initial training program, we may charge you a nonrefundable initial training fee of \$500 for each such additional person. The initial training fee is due prior to training. The initial training fee is uniformly imposed although on occasion we may allow more than 2 individuals to attend initial training without imposing this fee.

ITEM 6 OTHER FEES

TYPE OF FEE <u>TYPE OF FEE</u> ¹	AMOUNT <u>AMOUNT</u> ^{2,3}	DUE DATE <u>DUE DATE</u>	REMARKS <u>REMARKS</u>										
Monthly Royalty Fee <i>See Note 1</i>	The greater of: (a) 5%/6%/7% of total monthly Net Billings; or (b) \$500 each month in your first 12 months of operation, \$1,000 each month in your second 12 months of operation, \$1,500 each month in your third 12 months of operations and \$2,000 each month thereafter. <u>Greater of 6% of Net Billings or the minimum royalty fee</u>	On or before the 5th day of each month, based on the preceding calendar for prior month's Net Billings, or otherwise as we may direct from time to time. <u>operations</u>	You must pay the monthly royalty fee via EFT unless we notify you of an alternative payment method. <u>The "minimum royalty fee via EFT unless we notify you of an alternative payment method." is as follows:</u> <table border="1"> <thead> <tr> <th><u>Months After Open</u></th> <th><u>Minimum Royalty</u></th> </tr> </thead> <tbody> <tr> <td><u>0 through 12</u></td> <td><u>\$500</u></td> </tr> <tr> <td><u>13 through 24</u></td> <td><u>\$1,000</u></td> </tr> <tr> <td><u>25 through 36</u></td> <td><u>\$1,500</u></td> </tr> <tr> <td><u>37+</u></td> <td><u>\$2,000</u></td> </tr> </tbody> </table> We reserve the right to <u>change our billing cycle and require you to pay the monthly royalty fee on a weekly or bi-weekly basis, or any other basis we specify payments.</u>	<u>Months After Open</u>	<u>Minimum Royalty</u>	<u>0 through 12</u>	<u>\$500</u>	<u>13 through 24</u>	<u>\$1,000</u>	<u>25 through 36</u>	<u>\$1,500</u>	<u>37+</u>	<u>\$2,000</u>
<u>Months After Open</u>	<u>Minimum Royalty</u>												
<u>0 through 12</u>	<u>\$500</u>												
<u>13 through 24</u>	<u>\$1,000</u>												
<u>25 through 36</u>	<u>\$1,500</u>												
<u>37+</u>	<u>\$2,000</u>												
Individual Local Franchise Advertising Brand Fund Fee	The minimum of \$750 per month or 1% of Net Billings per month, whichever is greater. <u>Up to 2% of Net Billings per month, whichever is greater.</u>	Monthly expenditure required to be spent by you on local advertising and promotion. <u>Same as royalty fee</u>	Paid to third parties. If you do not comply with this requirement, we have the right to require you to pay all unexpended amounts to us or to our designee. You must contribute this amount to our Brand Fund. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.										

<u>TYPE OF FEE</u> <u>TYPE OF FEE</u> ¹	<u>AMOUNT</u> <u>AMOUNT</u> ^{2,3}	<u>DUE DATE</u> <u>DUE DATE</u>	<u>REMARKS</u> <u>REMARKS</u>
Brand <u>Local</u> Marketing Fund Fund <u>Commitment</u>	Up to 2 <u>Greater of \$750 per month or 1% of Net Billings per month, payable to the Fund. (commences when you complete initial training)</u>	On or before the 5th day of each month, based on the preceding calendar month's Net Billings, or otherwise as we may direct from time to time. <u>Monthly, as incurred</u>	We have not, as of the issuance date of this Disclosure Document, created the Brand Marketing Fund. We have no obligation to create any Brand Marketing Fund in the future. If we do create the Brand Marketing Fund, you must begin paying your monthly contributions. This is the minimum amount you must spend on advertising and marketing in your local market to promote your Business (the "Local Marketing Commitment"). This expenditure is in addition to the Brand Fund Fee and Digital Marketing Fee. You must pay us any required amount that you fail to spend.
<u>Cooperative Advertising Fee</u>	<u>Fee set by us or the coop (we can set fee up to Local Marketing Commitment)</u>	<u>Same as royalty fee</u>	<u>See Note 4.</u>
Technology Fee	The greater of: (a) the fee (or aggregate fees) any vendor charges us for your technology services; or (b) \$200 per month. Currently \$200 per month for website and email (subject to change upon 30 days' prior notice)	On <u>Same as royalty fee</u> or before the 5 th day of each month or <u>as</u> otherwise as we may direct from time to time. <u>specified</u>	Currently paid to us. You must pay us a monthly Technology Fee for use of our technology, client billing services and payroll processing services. We reserve the right to require you to purchase technology services, client billing services and/or payroll processing services from a designated third party supplier or affiliated entity at any time in the future, in which case you will be required to pay the designated vendors' imposed fees for such services. This fee includes all amounts you pay us and our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers. It may also include a reasonable administrative fee for managing the technology platform and negotiating/managing relationships with third-party licensors. It does not include any amounts you pay directly to third-party suppliers.
Call Center Fee	Up to \$500 a <u>per</u> month.	On <u>Same as royalty fee</u> or before the 5 th day of each month, or <u>as</u> otherwise as we may direct from time to time. <u>specified</u>	We reserve the right to implement a central telephone service/call center. Imposed if we choose to administer a call center. If a third party administers the call center, you pay fees directly to the third-party provider unless we choose to collect the fees from you and remit them to the provider.

TYPE OF FEE <u>TYPE OF FEE</u> ¹	AMOUNT <u>AMOUNT</u> ^{2,3}	DUE DATE <u>DUE DATE</u>	REMARKS <u>REMARKS</u>
Initial Training Fee	\$500 <u>Up to \$750 per additional person, per day, plus Travel Expenses for onsite training</u>	One week before you begin training. <u>As invoiced</u>	We do not charge an initial training fee for initial training for up to two persons. If you request (and we agree) to provide training to additional, or replacement staff, you must pay us the Payable for each person who attends: (a) supplemental or refresher training; (b) remedial training; (c) additional training you request; or (d) initial training after you open the Business. Initial Training Fee for each such additional person. You are responsible for all of your costs and expenses related to travel, lodging, meals and wages.
Additional Training Fee	\$750, plus our travel and lodging expenses. Fixed daily rate.	Upon receipt of invoice.	We may require you to pay us the Additional Training Fee and all travel and lodging expenses we incur if the training is provided at your Franchised Business location. If the Additional Training is held at our headquarters, you will also be responsible for all of your costs and expenses related to travel, lodging, meals and wages.
Mandatory Conference Attendance <u>Registration Fee</u> <i>See Note 2</i>	Up to \$2,000 per person per conference, plus cost of travel and lodging. (currently \$495 per person per conference) (you are also responsible for your Travel Expenses)	On the date we specify, which will be in advance of the <u>Prior to conference date.</u>	We have the right to require you (or your Designated Manager or Responsible Owner) to attend our Mandatory Conference, which generally will be held annually. You must pay us the Mandatory Conference Attendance Fee in advance of the conference date, on the date we specify. We may hold conferences to discuss matters affecting franchisees. Your Responsible Owner and Designated Manager must attend our annual conference unless (a) we designate attendance as optional or (b) we waive the obligation to attend based on showing of good cause. You still pay the fee if the Responsible Owner or Designated Manager fails to attend a required conference without a waiver from us.
<u>Client Assistance Fee</u>	<u>150% of actual costs we incur to assist your clients</u>	<u>As invoiced</u>	<u>Imposed if a client in your territory contacts us and we determine it is necessary for us to service the client.</u>
<u>New Product or Supplier Testing</u>	<u>Cost of testing (estimated to range from \$250 to \$500 per test)</u>	<u>10 days after invoice</u>	<u>This covers the costs of testing new products or inspecting new suppliers you propose.</u>
<u>Transfer Fee</u>	<u>[Permitted Transfer] \$0 or \$1,500</u>	<u>At time of Transfer</u>	<u>No fee for a Permitted Transfer from individual owners to a wholly owned business entity within 6 months after signing of Franchise Agreement. Fee applies to all other Permitted Transfers.</u>

TYPE OF FEE <u>TYPE OF FEE</u> ¹	AMOUNT <u>AMOUNT</u> ^{2,3}	DUE DATE <u>DUE DATE</u>	REMARKS <u>REMARKS</u>
Transfer Fee	<p>1.—\$1,500 for any changes to the ownership structure of the existing franchisee entity (i.e., majority ownership of the business does not change).</p> <p><u>[Other Transfers]</u></p> <p>2.—50% of the then-current initial fee for any transfers to someone that is not a current franchise owner in the Executive Care system</p> <p>3.—<u>fee (reduced to 20% of the then-current initial fee for any transfers to if buyer is an existing franchisee within the Executive Care system that is approved for expansion.</u></p>	Due upon the transfer an ownership interest in the franchise. <u>At time of Transfer</u>	No charge if your franchise is transferred to an entity that you wholly own and control during the first 6 months of the initial term. If you wish to transfer the franchise agreement to an entity wholly owned and controlled by you after the first 6 months, you must pay us a \$1,500 transfer fee. <u>You pay the transfer fee for all other Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.</u>
Successor Franchise <u>Renewal</u> Fee	25% of the then-current initial franchise fee-	Prior to <u>or at time of</u> renewal-	Fee is payable upon renewal of the franchise relationship and execution of our then current form of franchise agreement . <u>Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.</u>

<u>TYPE OF FEE</u> <u>TYPE OF FEE</u> ¹	<u>AMOUNT</u> <u>AMOUNT</u> ^{2,3}	<u>DUE DATE</u> <u>DUE DATE</u>	<u>REMARKS</u> <u>REMARKS</u>
Audit Fee	Cost <u>Actual cost</u> of audit, which may range from \$3,000 to \$15,000. <u>(including Travel Expenses for audit team)</u>	Upon invoice. <u>As invoiced</u>	You are only required to pay this fee if any audit reveals intentional under reporting or a discrepancy of 2% or more with respect to the Net Billings you reported to us, or if you refuse to report or participate in the audit. <u>Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Net Billings by 2% or more (or intentionally underreported Net Billings by any amount).</u>
Interest on Past Due Amounts <u>Late Fee</u>	Default interest at lesser of (a) 18% per year <u>annum (prorated on daily basis) or the (b) highest amount</u> rate allowed by applicable law, whichever is less.	Upon invoice. <u>As invoiced</u>	If we debit your account but there are insufficient funds or your check is returned for insufficient funds, then we may charge (in addition to the late fee) an NSF fee of \$50 per incident.
Attorneys' Fees <u>Noncompliance fee</u>	Varies under the circumstances. <u>\$250 per incident</u>	Upon invoice. <u>demand</u>	We may recover costs and reasonable attorneys' fees if we prevail in a dispute with you. <u>Imposed if you fail to comply with a mandatory standard or operating procedure (including timely submission of required reports) and do not cure within the time period we require. We may impose an additional \$250 fee each week until you cure the noncompliance issue.</u>
Insurance Fee <u>Default Reimbursements</u>	Total amount of unpaid premiums. <u>All costs we incur to cure default plus our administrative fee up to 20% of our costs.</u>	Upon <u>10 days after invoice.</u>	Payable only if you fail to provide proof of minimum required insurance coverage and we elect to obtain insurance coverage for you. <u>If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance or meet quality standards).</u>
Client Service Fee <u>Attorneys' Fees and Costs</u>	150% of our total costs associated with assisting clients within your Approved Territory. <u>Amount of attorneys' fees and costs we incur</u>	Upon Invoice. <u>As invoiced</u>	Due to us if clients within your Approved Territory contact us and we determine that it is necessary for us to service your clients. <u>You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.</u>

TYPE OF FEE <u>TYPE OF FEE</u> ¹	AMOUNT <u>AMOUNT</u> ^{2,3}	DUE DATE <u>DUE DATE</u>	REMARKS <u>REMARKS</u>
Indemnification	Total <u>Amount of our damages, losses and/or expenses incurred by us and our affiliates.</u>	As in voic <u>urred</u> .	You must indemnify and hold <u>reimburse</u> us and our affiliates harmless in any and for <u>all actions arising out of damages, losses or resulting from expenses we incur due to the development, opening or operation of your Franchised Business. These amounts include all losses, damages, costs and expenses we incur including but not limited to all defense costs and judgments against us as a result of any act or omission by you, or your breach of the Franchise Agreement.</u>
Alternative supplier evaluation fee	Our reasonable costs and expenses, which currently are expected to range between \$250 and \$500, although costs could greatly exceed those amounts depending upon the request.	Upon receipt of our bill.	
Taxes	Amount of tax-	Upon receipt of invoice. <u>As invoiced</u>	If any <u>a</u> taxing authority imposes any <u>a</u> tax, levy, or assessment on any payment you make to us or our affiliates, you must pay such tax, levy or assessment in addition to all payments due.

~~*Unless otherwise noted, all fees are uniformly imposed, are payable to us, and are non-refundable. All of the above fees are payable by automatic electronic funds transfer.~~

Notes:

~~The percentage of Net Billings that you will pay as the monthly royalty is determined by your initial franchise fee election.~~ Notes:

1. Nature and Manner of Payment: All fees are imposed by and payable to us except: (a) you pay the cooperative advertising fee directly to your advertising cooperative (we may instead require you to pay this fee to us, in which case we will remit the fee to the cooperative on your behalf); and (b) you spend the Local Marketing Commitment directly with third-party suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form permitting us to electronically debit your designated bank account for all amounts owed to us. You must deposit all revenue into the bank account and ensure sufficient funds are available for withdrawal before each due date.

2. Definitions: As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

“Brand Fund” means the brand and system development fund that we currently administer to advertise, market and promote our brand and improve our System.

“Designated Manager” means the person you appoint (who may, but need not, be the Responsible Owner) who will personally supervise your Business on a full-time basis.

“Net Billings” means the aggregate of all amounts billed on the sales of any and all services and products, and all revenues and other income from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration and whether or not payment is received at the time of sale or any of

these amounts prove uncollectible), which arise from or are derived by you or any other person from business conducted by, or which originated from, your Franchised Business, including all proceeds from any business interruption insurance. Net Billings also includes the gross proceeds we pay you if you service a National Account that remits payment to us for services provided by you. Net Billings excludes: ~~(a)~~ sales tax and other taxes separately stated that you collect from clients and pay directly to taxing authorities; and ~~(b)~~ Reimbursable Expenses (as defined below). “Reimbursable Expense” or “Reimbursable Expenses” means and includes the total dollar amount of any actual expenditures we have approved that are made by you or your caregivers to purchase products or services from independent third parties on behalf of Executive Care clients. Reimbursable Expenses include mileage and funds spent purchasing items for clients, and those other expenses identified by us in the Manual. Reimbursable Expenses may only be deducted if they are calculated in accordance with our specifications and reported to us in the form and manner we designate.

- ~~1. Additionally, we may hold annual and/or other periodic conferences. If these conferences are held, we may require you to pay the conference attendance fee of up to \$2,000, plus all of your travel and living expenses related to your attendance at the conference. These conferences will be held at a location chosen by us. Attendance is mandatory.~~

“Permitted Transfer” means: (a) a Transfer from one owner to another owner who was an approved owner prior to the Transfer; (b) a Transfer to a newly established business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests; and/or (c) a Transfer of less than a 50% ownership interest. However, any Transfer described in (a), (b) or (c) will not be deemed a “Permitted Transfer” if the Transfer results in a change of control or results in the Responsible Owner no longer holding any ownership interest in the Business or the entity that is the “franchisee”.

“Responsible Owner” means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Business.

“Technology Systems” means all information and communication technology systems that we designate, including computer systems, point-of-sale systems, client billing systems, payroll processing systems, telecommunications systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Transfer” means a transfer or assignment of: (a) the Franchise Agreement; (b) substantially all of the assets of the Business; (c) any ownership interest in the Business or the entity that is the “franchisee”.

“Travel Expenses” means all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Territory; or (b) by you or your personnel to attend training programs or conferences.

3. CPI Adjustments: All fees (and minimum fees) expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on changes to CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than 1 fee adjustment during any 5-year period.
4. Cooperative Advertising Fee: We may establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We may either: (a) collect cooperative advertising fees and remit them to the applicable cooperative; or (b) require you to pay these fees directly to the cooperative. Cooperative advertising fees are uniformly imposed on all Executive Home Care businesses in the cooperative, including company-owned outlets. We may set the minimum cooperative advertising fee, which may be increased by majority vote of all members of the cooperative (but will not exceed the maximum amount specified in the table above). Each member is entitled to 1 vote for each Franchised Business that is

owned by the member and located in the cooperative. Any company-owned Executive Home Care business located in a cooperative will participate in the cooperative and contribute cooperative advertising fees on the same basis as other members. If it chooses to participate, it would contribute on the same basis, and have the same voting rights, as other franchisee members. However, if the majority of Executive Home Care businesses in the cooperative are company-owned and choose to participate, they may not increase the cooperative advertising fee to an amount exceeding the Local Marketing Commitment unless a majority of all franchisee members vote in favor of the increase. All cooperative advertising fees you pay are credited towards your Local Marketing Commitment. There were no advertising cooperatives in effect as of December 31, 2023.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

<u>YOUR ESTIMATED INITIAL INVESTMENT</u>				
<u>TYPE OF EXPENDITURE</u> ¹	<u>AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM PAYMENT IS MADE</u>
Initial Franchise Fee <i>Note 1</i> ²	\$49,900 (initial franchise fee reduced for each additional Franchise Agreement you sign)	Lump Sum	Total due on signing of At time you sign Franchise Agreement-	Us-
<u>Initial Training Expenses</u> ⁰	<u>\$2,000 to \$5,000</u>	<u>As Arranged</u>	<u>Prior to Opening</u>	<u>Suppliers</u>
Computer Equipment and Point of Sale & POS System <i>Note 2</i>	\$2,000- <u>\$ to \$5,000</u>	As Arranged	Prior to Opening	Approved Third Party Suppliers-
Signage & Trade Dress Requirements <i>Note 3</i> ⁴	\$2,500- <u>\$ to \$5,000</u>	As Arranged	Prior to Opening	Designated/Approved Third Party Suppliers-
Furniture, Fixtures, Equipment and Supplies <i>Note 3</i> ⁵	\$1,000- <u>\$ to \$5,000</u>	As Arranged	Prior to Opening	Approved Third Party Suppliers-
Prepaid Rent and Security Deposit; Leasehold Improvements; Rent & Utilities <i>Note 4</i> ¹	\$1,000- <u>\$ to \$5,000</u>	As Arranged	Prior to Opening	Landlord- <u>and Utility Companies</u>
Insurance and Bonds <i>Note 5</i> ⁷	\$12,300- <u>\$3 to \$4,800</u>	As Arranged	Prior to Opening	Approved Third Party Suppliers-
Legal Fees, Incorporation Fees, Licenses and Permits <i>Note 6</i> ⁸	\$750- <u>\$15250 to \$10,000</u>	As Arranged	Prior to Opening	Governmental Agencies, Lawyers, Third Party Suppliers-
Travel, Lodging, Meals Etc. for Initial Training <i>Note 7</i> <u>Professional Fees</u> ⁹	\$2,000- <u>\$500 to \$5,000</u>	As Arranged <u>incurred</u>	Prior to Opening	Third Party Suppliers- <u>Lawyers, Accountants & Business Advisors</u>
Additional Funds ¹⁰ <u>(3 Months)</u>	\$40,500- <u>\$ to \$50,000</u>	As Arranged	As Incurred	Third Party Suppliers- <u>& Employees</u>

<u>YOUR ESTIMATED INITIAL INVESTMENT</u>				
<u>TYPE OF EXPENDITURE</u> ¹	<u>AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM PAYMENT IS MADE</u>
(Working capital to cover 3 months of expenses such as payroll, utilities, systems fees, and advertising during early stages of operation) Notes 8				
TOTAL See Note 8 <u>Total Estimated Initial Investment</u>¹¹	\$51,050 <u>101,950</u> to \$143<u>4</u>,700			

~~GENERAL NOTE: The above chart lists estimates Notes: of the initial investment funds necessary to open a Franchised Business. These estimated ranges are based on our franchisees' experience in developing Franchised Businesses. These estimates are likely to vary based on a number of factors, including your specific location and market. You are strongly advised to diligently investigate all potential costs with a qualified business advisor before proceeding with this investment to gain a better understanding of your expected individual costs and expenses.~~

- ~~1. Financing and Refunds: We do not offer direct or indirect financing. No amounts paid to us are refundable. We are not aware of any amounts paid to third-party suppliers that are refundable, although your landlord may refund your security deposit at the end of the lease if you do not damage the property or default.~~
- ~~2. Initial Franchise Fee: Item 5 describes the initial franchise fee discounts we currently offer. For purposes of this initial investment table, we have assumed you do not qualify for any discounts.~~

~~Initial Training Expenses: This estimates your expenses to send 1 to 2 people to Scottsdale, Arizona for 5 days of initial training. Your actual training expenses may vary depending on: (a) the number of people you send to training; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected. Most franchisees send only 1 or 2 people to training.Notes:~~

- ~~1. The standard Initial Franchise Fee for a Franchised Business is \$49,900. If you choose to sign a second Franchise Agreement, the initial franchise fee for the second Franchised Business will be reduced to \$39,900. If you choose to sign a third Franchise Agreement, the initial franchise fee for the third Franchised Business will be reduced to \$34,500. We offer discounted standard Initial Franchise Fees for qualified veterans and minority first time owners.~~

~~In addition to the standard \$49,900 initial franchise fee described above, we offer two other options if you are purchasing only a single unit, one in which you will pay a \$20,000 initial franchise fee but pay an increased monthly royalty fee of 6% of Net Billings for the entirety of the initial term of the Franchise Agreement, and another in which you will pay no initial franchise fee but pay an increased monthly royalty fee of 7% of Net Billings for the entirety of the initial term of the Franchise Agreement. If you elect either of these two optional fee structures, you can pay the balance of the \$49,900 (i.e. pay the \$29,900 or \$49,900 difference between what you paid and the \$49,900 initial franchise fee) at any time and revert to the standard 5% monthly royalty rate.~~

~~The Initial Franchise Fee is due and payable in full when you sign the Franchise Agreement and is non-refundable under any circumstances.~~

- ~~2. You must purchase and use a computer system that meets our standards and specifications, including mandated hardware and software components, from our designated suppliers.~~
3. If you send more than 2 people, we may charge you an initial training fee of \$500 for each trainee other than the 2 trainees covered by the initial franchise fee.
4. Signage & Trade Dress Requirements: You must purchase, install and display the interior and exterior signage and trade dress that we designate.
- ~~4.5. Furniture, Fixtures, Equipment & Supplies:~~ You must ~~buy these items from our designated or approved suppliers. You also must~~ equip your office with certain furniture, fixtures and equipment, ~~as that~~ we designate or approve ~~in writing~~. A typical office for a Franchised Business ~~contains two~~ includes 2 desks, a waiting area where clients can be seated, and other office furniture. ~~A list of~~ The Manual lists the ~~typical~~ equipment and furniture ~~you will buy is included in the Manual. You are~~ typically required ~~to buy for an office. You must purchase~~ an initial inventory of operating supplies and other items we require, including uniforms, business cards, binders and folders, ~~as we designate and in the quantities we designate.~~ The ~~range estimate~~ in the table above includes costs for: uniform shirts for 10 members of your staff; client forms and contracts; business cards; binders; ~~and~~ folders; and sign-up packages.
- ~~3. Your Franchised Security Deposit, Rent & Utilities:~~ You must operate your Business ~~will be operated~~ from an approved office ~~location of this is~~ approximately 800- to 1,200 square feet. ~~Franchised Business in size. Your~~ office ~~locations must~~ have a welcome area and at least two (2) offices or conference rooms. The estimate in the table includes rent for the first ~~three~~ 3 months and a security deposit ~~of one equal to 1~~ month's rent, ~~as well as.~~ It also includes an estimate ~~for of~~ your utility deposits. Your lease may impose additional rental obligations, such as common area maintenance charges, taxes, insurance, and in some instances, percentage rent.
- ~~2.6.~~ Unless prohibited by applicable law, we may approve “shared office space,” but not “co-working space.” The amounts in the chart above may be somewhat lower if you utilize a shared office space. We strongly encourage you to consult with your own attorney and business advisor regarding your lease and related matters. Executive Home Care offices generally do not require any construction, renovations or leasehold improvements.
- ~~You are strongly encouraged to consult with your own attorney and business advisor regarding lease and related matters in your area.~~
- ~~3.7. You must maintain insurance coverage in the minimum amounts noted in the Manual and as required by state law. Your cost of insurance~~ Insurance & Bond: This estimate includes 3 months of insurance premium. Item 8 includes a description of the insurance policies you must purchase and maintain. Your insurance costs may vary depending on the ~~Approved Territory your Franchised Business services, the your territory,~~ location of your office, ~~the~~ number of your caregivers ~~or and~~ employees ~~you have~~, and other factors. ~~Depending on the state in which the Approved Territory is located, you may be required to purchase a bond. Some states may require you to purchase a fidelity bond. The high estimate includes the estimated cost to purchase a bond. The low estimate assumes your state does not require a bond.~~
8. Licenses & Permits: You are responsible for obtaining all ~~necessary~~ licenses and permits required for the development, ~~opening~~ and operation of your ~~Franchised~~ Business. The costs for permitting and licensing vary from location to location. ~~You may also incur legal~~
- ~~4.9. Professional Fees: This includes the estimated fees and related costs in connection with your investment in the franchised opportunity and compliance with local laws. for professionals you may choose to hire in order to:~~

~~7. You must attend and successfully complete the training we designate in the Manual prior to opening your Executive Care Business. We do not charge you a fee for up to two people to attend the initial training program. You, however, are responsible for all travel, lodging, meals, wages and entertainment costs and expenses for you and your initial training team. Additional persons may attend our initial training program for an additional \$500 per person fee.~~

~~8. The Additional Funds category in the above table includes an estimate of those costs and expenses you are estimated to incur during the “initial phase” of operations, which includes a period of 3 months. We considered our franchisees’ experience in determining the amount for additional funds.~~

~~In the first three months of operation, we recommend that you employ, at a minimum, 1 full-time branch manager and 1 full-time patient coordinator. The Additional Funds category in the above table includes estimates for that salary during the first three months of operation. It does not include a draw or salary for the owner of the Franchised Business. Depending on the services your Franchised Business offers, state regulations may require you to hire additional employees and to meet state licensure requirements. You are strongly advised to consult with an attorney and local business advisor to advise you as to all requirements applicable to your Franchised Business and to assist you with obtaining all requisite licenses.~~

- ~~• assist you in reviewing this Disclosure Document and negotiating your Franchise Agreement~~
- ~~• advise you regarding local laws and regulations applicable to your Business~~
- ~~• form a business entity (the high estimate includes incorporation costs)~~
- ~~• set up your books, records and accounts~~
- ~~• develop a business plan and budget for the development and operation of your Business~~

~~These [services are optional but highly recommended.](#)~~

~~10. Additional Funds: This estimates your expenses during the first 3 months of operation including: payroll costs (includes salary for 1 brand manager and 1 patient coordinator, but excludes any wage or salary paid to you); marketing and advertising expenses; technology fees; third-party software fees; additional operating supplies; gas and vehicle-related expenses; and other miscellaneous expenses and required working capital. Your initial 3 months of insurance premium and rent are separately stated in the table above. These figures are estimates are for one Approved Territory. If you purchase more than one Approved Territory, your costs may be higher. We have relied based on the experience of our franchisees in establishing these estimates. You should review these figures carefully with a lawyer, [developing, opening and operating Franchised Businesses.](#)~~

~~5.11. Budget and Initial Investment Report: We strongly recommend you hire an accountant ~~and business advisor before making any decision to purchase the franchise.~~, [business advisor or other professional to assist you in developing a budget for the development and operation of your Business. Within 60 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Business. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.](#)~~

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

We have spent considerable time, effort and financial resources to develop ~~the our System for an Executive Care Your-Home Care Company® franchise system (the “System”);~~ [business.](#) We have established standards and specifications for most of the services and goods used in and offered through the Franchised Business. The System

is subject to modification, change and improvement going forward. You must conform to our System standards, including high standards of service, quality, safety, and cleanliness. We anticipate that our standards will change over time. You must adhere to these changes. You may incur increased costs and expenses to comply with these changes, at your own expense. Our requirements are critical to assure the quality, safety and consistency of the services provided by Franchised Businesses in the System, and to protect and enhance the image of the Marks.

Our standards and specifications may be communicated to you through our confidential Operations Manual and various other confidential manuals and/or written materials relating to operation of Franchised Businesses, all of which may be changed by us at any time in the future. The Manual includes mandatory specifications relating to required services, client service techniques, staffing requirements and administration issues and procedures.

You must, at your expense, ~~construct~~develop, improve and operate your Franchised Business under the System and in accordance with our required standards and specifications, as set forth in our Manual and other publications or written materials we issue from time to time. You must, at your expense, purchase or lease, install and use, among other things, all fixtures, signage, furnishings, improvements, supplies, other products and equipment (including computer equipment, inventory, uniforms, signage, point of sale, computer hardware and software, and security systems), décor items, related items and services we require, all of which must conform to the Manual and our required standards and specifications.

~~You must operate the Franchised Business in accordance with the Franchise Agreement and the mandatory standards and specifications outlined in the Manual, and other publications or written materials we issue. You must offer all services and products we designate through your Franchised Business (“Franchised Business Services and Products”). You must offer staff to clients 24 hours a day, 7 days a week. You may not deviate from our mandatory standards and specifications without obtaining our written consent first.~~

We have the right to, and expect to, supplement or modify the Manual and our mandatory standards, specifications and other publications we issue in our sole discretion, at any time. We will provide written notice to you of any changes.

System Modifications

~~We have the right to supplement, improve and otherwise change the System at any time. We will have full control and discretion over any of these developments and you must comply with all such requirements, including offering and selling new or different products or services specified by us.~~

Approved and Designated Suppliers

We have the absolute right to limit the suppliers with whom you may deal. We may require you to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us, or distributors we have approved (collectively, “suppliers”). You must purchase all goods, items, products and services required for the development and operation of the Franchised Business from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We will provide you with a list of suppliers, which list may change over time. While the suppliers included on this list are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time. Notifications of changes to the approved suppliers list will be communicated to you through changes to the Manual or other written communications, including via electronic mail. Approval of suppliers may be revoked upon written notice.

We or our affiliate may become an approved supplier, and/or the only supplier, for any item, product, good and/or service in the future. We are currently the only approved supplier of ~~certain payroll processing services and client billing services~~the email accounts you will use. You are not permitted to use any other vendor for these services unless you obtain our prior written consent. Additionally, we are the only approved source for gaining access to our electronic mail portal and online interface system.

We estimate that currently, the cost of the equipment, software, forms, supplies, services, and goods for resale that must be purchased from designated or approved suppliers or in accordance with our specifications will represent between 35% and 45% of your total purchases in connection with the establishment of your ~~b~~Business and will represent between 6% and 10% of your ongoing expenses.

As of the issuance date of this Disclosure Document, we do not have any affiliates who offer or sell any products, items or services to System franchisees. Our affiliates may sell products, items and/or services to System franchisees in the future, at any time, and they may derive revenue and other material benefits on account of your and/or System franchisee purchases.

Except for certain officers' ownership interest in us, none of our officers own an interest in approved suppliers.

Derived Revenue

We and/or our affiliates, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us or any supplier, including approved ~~suppliers~~, and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases. We may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to you and we reserve the right to retain all such benefits.

As of the issuance date of this Disclosure Document, we do not receive any rebates from approved suppliers; however, we reserve the right to derive rebates and/or other benefits from certain purchases you make from approved suppliers in the future. These amounts are subject to change. By way of example, certain approved suppliers may rebate a percentage of sales or a flat amount to us on account of franchisee purchases.

We or our Affiliates may charge a mark-up on products and/or services sold to you by us and/or our affiliates.

~~During our most recently concluded~~Our total revenue during the fiscal year ended December 31, 2022, ~~neither~~2023 was \$1,006,155. ~~During that year, we nor our affiliates derived any~~generated \$37,800 in revenue ~~from required~~as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (including purchases from us), which represents 3.8% of our total revenue for that year.

Except as disclosed in this Item, as of the issuance date of this Disclosure Document, we have not currently established any purchasing arrangements with designated suppliers and do not currently receive any payments on the basis of required franchisee purchases.

Purchases from Other Suppliers

If you want to purchase any products, services, goods, equipment or supplies from a supplier or distributor who is not on our approved list, you may request our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny in our sole and absolute discretion. The proposed supplier's or distributor's product or service, as applicable, must conform in every respect to our standards and specifications and the supplier or distributor must have a good business reputation and be able and willing to provide sufficient quantities of the product and adequate service to our franchisees. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product to our standards. This evaluation may include a sampling of the product at either the supplier's/distributor's or our place of business, as we may designate. Where appropriate, we require the supplier or distributor to provide us with product liability insurance. All suppliers and distributors must agree to provide us with reports concerning all purchases by you or other franchisees. You or the supplier will be responsible for all costs and expenses we incur in the testing and approval process. There are no fees currently associated with seeking approval for alternative suppliers; however, we reserve the right to charge a fee. We cannot predict with any certainty how long its evaluation will take; however, we attempt to complete our evaluation within 30 days. Upon the completion of our evaluation, we inform you of our approval or disapproval of your request. If we approve the supplier or distributor, the supplier or distributor is added to our approved list, however, our approval of a supplier or distributor relates only to the item or product line evaluated and specifically approved by us.

Our standards, specifications and other criteria for supplier or distributor approval have been developed by us, our affiliates, and/or our principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to our franchisees or suppliers.

We may modify our specifications and standards for any item or revoke our approval of any supplier or distributor who fails to adhere to our quality standards or other requirements. We may limit the number of potential suppliers that we consider for approval and for some categories of products, we may designate a third party or ourselves as an exclusive supplier.

Purchasing Programs

We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit you by reducing prices, increasing reliability in supply, improving distribution, establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Franchised Business is located, you must participate in the program.

We do not guarantee the availability of independent sources of supply for any particular product or service required to establish or operate your Franchised Business. We do not provide any material special benefits to franchisees for particular products or services or using designated suppliers.

Office Location & Lease

You are responsible for selecting a site for your office and negotiating the terms of your lease. We must approve your office location and lease agreement. We will condition our acceptance of your lease upon, among other conditions, the lease containing a use clause that is satisfactory to us, and on you and your landlord's signing of a collateral assignment of lease, through which your landlord grants us the unconditional right to assume and/or assign your rights and obligations under the lease in the event that you breach your lease and/or your Franchise Agreement is terminated or expires. Neither our review of the lease nor our acceptance of the site that you have selected for your office constitutes a representation or guarantee that you will succeed at your selected office or an expression of our opinion regarding the terms of the lease.

Computer System

You must purchase the computer and office management system we require. You must make reasonable upgrades or updates to your computer system at our request at your expense. You must have Internet access at all times through a connection that meets our standards.

Advertising

All advertisements must be approved by us in writing before use.

Insurance

You must, at all times, maintain insurance as prescribed by law, and you must maintain the minimum insurance requirements, from companies financially rated A- or better, as listed in the Manual. You currently are required to maintain the following minimum insurance coverage: (i) comprehensive general liability insurance of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate; (ii) workers compensation insurance in the amount prescribed by law in your Territory, but not less than \$500,000 per occurrence; (iii) automobile liability of not less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate; (iv) property insurance of not less than 80% of the replacement value of the same, except that an appropriate deductible clause no greater than \$2,500 will be permitted; (v) professional liability/malpractice insurance of \$1,000,000 per occurrence and \$1,000,000 in the aggregate; (vi) [cyber liability insurance of \\$1,000,000 per occurrence and \\$1,000,000 in the aggregate](#); (vii) employment practices insurance in an amount not less than \$250,000 per occurrence; and (viii) business interruption insurance covering a minimum of six months of income, including coverage of our Royalty Fees. 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. You should consult with a licensed insurance agent to review these minimum insurance limits and obtain the proper desired coverage for your Franchised Business.

You ~~must~~may also be required to purchase a fidelity bond in the amount required in the state(s) where you do business. The fidelity bond must be maintained during the entire term of the Franchise Agreement. You must provide proof of bonding to us prior to opening for business, and each year when your bond is renewed. You must also provide certificates of insurance, endorsements or other documentation we require evidencing your insurance coverage in compliance with the contractually mandated minimums before your Franchised Business opens, and each year when your policy renews. You must name us as an additional insured under your insurance policy.

Pricing and Promotion Requirements

~~Subject to applicable law, we reserve the right to require Franchised Businesses in the System to offer certain services and/or products at prices not to exceed the prices we publish from time to time. We also reserve the right to require Franchised Businesses to offer all promotions we specify from time to time, including, without limitation, participating in any charitable promotions we designate. We currently do not prohibit our franchisees from charging prices lower than our published prices for any service or item; however, we reserve the right to do so in the future, to the maximum extent allowed by applicable law. We also may set the prices you may charge to, or be paid by, a National Account.~~

ITEM 9 FRANCHISEE’S OBLIGATIONS

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

OBLIGATION <u>OBLIGATION</u>	SECTION IN <u>SECTIONS IN</u> <u>AGREEMENT</u>	DISCLOSURE <u>DISCLOSURE</u> <u>DOCUMENT ITEM</u>
<u>a. Site S</u> selection and <u>Acquisition/Lease</u> acquisition/lease	Franchise Agreement (“FA”): Sections 4.2, 4.3, 7.2	Items 11 & 12
<u>b. Pre-Opening</u> <u>Purchase/Leases</u> opening <u>purchases/leases</u>	Sections 4.2, 5, Section 7 (including all sub-sections)	Items 5, 7 & 8
<u>c. Site D</u> development and other Pre- <u>Opening Requirements</u> pre-opening <u>requirements</u>	Sections 4, 5.1, 5.2, Section 7 (including all subsections)	Item 11
<u>d. Initial and Ongoing</u> <u>Training</u> ongoing training	Section 5.2, 5.3	Item 11
<u>e. Opening</u>	Section 7.3.1	Item 11
<u>f. Fees</u>	Section 6	Items 5, 6 & 7
<u>g. Compliance with S</u> tandards and <u>Policies/Operations</u> policies/Opera <u>ting Manual</u>	Sections 5.4, 7.3.2	Item 11
<u>h. Trademarks and Proprietary</u> <u>Information</u> proprietary information	Sections 7.1, 8.1	Items 13 & 14

OBLIGATION <u>OBLIGATION</u>	SECTION IN <u>SECTIONS IN</u> <u>AGREEMENT</u>	DISCLOSURE <u>DISCLOSURE</u> <u>DOCUMENT ITEM</u>
<u>i.</u> Restrictions on Products/Services Offered <u>products/services offered</u>	Section 7.3.3, 7.3.4, 7.3.6, 7.3.7	Items 8 & 16
<u>j.</u> Warranty and Customer Service Requirements <u>client service requirements</u>	Sections 6.5, 7.3.3, 7.3.4, 7.3.6, 7.3.10	Not Applicable
<u>k.</u> Territorial D development and Sales Quotas <u>sales quotas</u>	Not applicable	Item 12
<u>l.</u> Ongoing Product/Service Purchases <u>product/service purchases</u>	Section 7	Item 16
<u>m.</u> Maintenance, A appearance and Remodeling Requirements <u>remodeling requirements</u>	Section 7 (including Section 7.3.11)	Not Applicable
<u>n.</u> Insurance	Section 7.7	Item 8
<u>o.</u> Advertising	Sections 7.1.3, 7.5	Item 11
<u>p.</u> Indemnification	Sections 7.1.4, 8.5	Not Applicable
<u>q.</u> Owner's Participation/Management/ Staffing <u>participation/management/ staffing</u>	Section 7.4	Item 15
<u>r.</u> Records and Reports <u>reports</u>	Section 7.6	Not Applicable
<u>s.</u> Inspections and Audits <u>audits</u>	Sections 7.3.9, 6.12	Not Applicable
<u>t.</u> Transfer	Section 9	Item 17, Exhibit K
<u>u.</u> Renewal	Section 4.6.2	Item 17
<u>v.</u> Post Termination Obligations <u>termination obligations</u>	Section 10.3	Item 17
<u>w.</u> Non- Competition Covenants <u>competition covenants</u>	Section 8.6	Item 17
<u>x.</u> Dispute R resolution	Section 11.7, 11.8	Item 17
<u>y.</u> Guarantee of Franchisee Obligations	Section 12.2 and Guaranty attached as Exhibit 4	Item 15

ITEM 10 FINANCING

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

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before you open your Franchised Business, we will:

1. ~~1.~~ Designate your Approved Territory. (Franchise Agreement Section 4.3)

2. ~~2.~~—Approve or disapprove the site you have selected for your office. (Franchise Agreement Section 4.2)
3. Provide you access to a sample layout and specifications for the office of the Franchised Business to guide you in furnishing and equipping your Franchised Business. You will, at your own expense, tailor the plans and specifications provided by us for your individual use and will then submit the customized plans and specifications to us for written approval, which may not be unreasonably withheld. You pay for the re-fitting and all other costs of compliance and permits. (Franchise Agreement Section 5.1)
4. Provide the initial training program described below to you and ~~one~~1 other member of your staff. (Franchise Agreement Section 5.2)
5. Provide you with the names of ~~Approved Suppliers~~approved and/or designated suppliers and a list of all equipment, fixtures, and inventory you are required to purchase. (Franchise Agreement Section 5.6)
6. Once you have: (a) completed the initial training program to our satisfaction, (b) ~~built out (if applicable) and~~ equipped your Franchised Business in compliance with the Franchise Agreement and the Manual, (c) the proper personnel in place, and (d) received all permits, licenses, and authorizations necessary for you to begin operating your Franchised Business, we will inspect your Franchised Business prior to opening and provide you with a “Certificate of Opening” authorizing you to open and operate the Franchised Business. You cannot open your Franchised Business until we authorize you to do so. (Franchise Agreement Section 7.3.1)

We are not contractually obligated to provide any signs, equipment, fixtures, opening inventory, or supplies to be used in connection with the operation of your Franchised Business at this time, but we reserve the right to do so. We do not assist you with regulatory compliance, including licensing.

Obligations After Opening

During the operation of the Franchised Business, we will:

1. At our discretion, develop new services and methods and provide you with information about the development of services and methods. (Franchise Agreement Section 5)
2. Lend to you, or provide you with access to, the Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by us. (Section 5.4 of the Franchise Agreement) Our Manual also includes a list of our approved suppliers. We will modify and update the Manual from time to time and you will be notified via email or another form of communication of such modifications and updates. (Franchise Agreement Section 5.4) The Manual and the information contained therein is confidential and remains our property. (Franchise Agreement Section 7.3.2)
3. Hold conferences (if we deem necessary) to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs to improve and develop the Franchised Business. In the event that such conferences are held, you must attend and pay the designated attendance fee in addition to all your travel, wages and living expenses related to your attendance at the conference. We reserve the right to charge a fee of up to \$2,000 for the conference. These conferences will be held at a location chosen by us. (Franchise Agreement Sections 5.2.2, 5.2.3)
4. ~~4.~~—We may make periodic visits to your Franchised Business at the times and in the manner that we determine is appropriate.

Office Site Selection

You must locate, obtain and occupy the site for the office for your Franchised Business, on your own initiative and at your own expense. We do not select the site for your office and we do not purchase the premises and lease it to you. The office must be located within your ~~Approved Territory~~territory. You must advise us in writing of the proposed site for your office. Our prior approval is required in writing. You are responsible for compiling the information necessary for us to evaluate your site. Approval of any proposed site is based on the information you submit in a form that allows us to assess the location. We must approve or disapprove your site within 30 days after we receive notice of the location from you. We may not withhold our approval unreasonably.

Neither we nor any of our employees have special expertise in selecting office sites. Our approval only indicates that the proposed site meets our minimum demographic and other requirements based on our general business experience.

The office site must meet minimum demographic/geographic requirements as described in the Manual, which vary by region. Our consideration of a potential site will focus on demographics, configuration and characteristics of the site, site specifications (such as size, visibility, parking), and potential lease terms (including the condition of the premises), among other factors. ~~If you do not select an office site which meets our minimum demographic/geographic requirements as described in the Manual for our review within **nine (9)** months of signing the Franchise Agreement, or if we fail to agree on a site before the expiration of this **nine (9)**-month period, we may terminate the Franchise Agreement.~~ Franchised Businesses are typically operated from an executive suite, or other office location of approximately 800 ~~to~~ 1,200 square feet.

Opening

We estimate that you will open your Franchised Business within 120~~-~~ days after you sign a Franchise Agreement. The factors that may affect this time are your ability to hire and train all required employees and to obtain all required licenses and permits to operate a Franchised Business in your ~~Approved Territory~~ territory, your ability to select and obtain a site for your office, financing or permits, a Fidelity Bond, local ordinances, weather conditions, shortages and delayed installation of equipment and fixtures. We recommend allowing ~~two~~ 2 weeks lead time for computer equipment purchases in order to have it delivered and installed in time for the planned opening date of your Franchised Business.

You may not open your Franchised Business or provide services to the public until we certify in writing that, in view of our management, you and your employees are prepared to do so.

Assistance with pre-opening and opening activities will be conducted as reasonably determined by us (including immediately prior to and during the first week of the operation of your Franchised Business).

Payment of royalties will commence as soon as you open your Franchised Business.

Referral Program

~~We may pay a referral fee, in an amount we determine in our sole discretion, to existing franchisees that refer a prospective franchisee to us if the prospect become a franchisee and opens a Franchised Business. We may change or discontinue this program at any time. Franchisees that refer prospective franchisees to us have no authority to make any representations on our behalf, to bind us to any contract, accept any payments from, or to negotiate on our behalf with prospective franchisees.~~

Advertising and Marketing

Local Advertising

We may, but are not required to, provide certain advertising materials and services to you. Materials provided to you may include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous items, and may be regional or national. Currently, we provide you with electronic access to certain advertising materials. We reserve the right to change the format in which we provide these advertising materials to you in the future. We may use outside advertising and marketing agencies to create advertising.

You may develop advertising materials for your own use, at your own cost. However, you must obtain our prior written approval of the advertising materials you develop before use.

Local advertisement is your responsibility. You are obligated to spend a minimum of 1% of Net Billings or \$750 per month, whichever is greater, on local advertising and promotion and supply copies of receipts and evidence of your expenditures to us in the format we require. If you do not make the required advertising expenditure, we

may in our discretion make such amounts payable to the Brand Marketing Fund or collect it to pay our designee to undertake advertising in your territory as we may direct from time to time.

Brand Marketing Fund

We have a Brand Marketing Fund. You are required to pay the Brand Marketing Fund (the “Brand Fund”) contributions when you commence operations. We have the right to require you to contribute up to 2% of monthly Net Billings to the Brand Fund for purposes of brand advertising.

We, or our designee, are responsible for administering the Brand Fund. We may engage third-party firms to assist with these responsibilities. You are required to participate in the Brand Fund. We are not required to form a trust for the Brand Fund, and the Brand Fund, does not create a fiduciary duty between you and us. We have no obligation to segregate Brand Fund contributions or maintain accounts separate from our other funds. Brand Fund contributions may and will be commingled with funds in our general accounts. The Brand Fund, will not be audited but financial information about the Brand Fund will be made available annually, and we will provide it to you or make it available to you upon reasonable written request.

We may spend funds in the Brand Fund at our discretion, for any activities intended to build the strength of the Executive Care brand, including national, regional, or local media or other market techniques or programs designed to communicate the services of franchisees to the public, as well as on technology or other programs that improve the quality of the services provided to Executive Care customers. In addition, we may spend funds in the Brand Fund on market research and development, public relations programs, test or target marketing, the conducting of surveys, brand development and promotion, consulting and other related services to train franchisees on marketing or other brand-building techniques, creative and production costs, merchandising and merchandising program development, development and implementation of new technology, reimbursement to us for reasonable accounting, administrative (including the actual cost of salaries and benefits paid to our employees engaged in administration of the Brand Fund), and legal expenses associated with the Brand Fund, or for other purposes deemed appropriate by us to enhance and promote the general recognition of the Executive Care System and Marks. ~~None of the~~The Brand Fund will not be ~~spent on advertising used to pay for advertisements~~ principally ~~for the sale of~~directed at selling additional franchises, ~~but we reserve the right to~~although consumer advertising may include notations such as “franchises available” ~~and one or similar statements~~more pages on ~~advertising paid for by~~our website may promote the ~~Brand Fund~~franchise opportunity. We will determine and budget the specific use of the Brand Fund. We have no obligation to ensure that expenditures of the Brand Fund are spent in any specific territory and contributions you make will not necessarily mean the Brand Fund will influence your territory. We do not currently have any company or affiliate owned businesses to contribute to the Brand Fund, but if we establish any affiliate-owned businesses they will contribute to the Brand Fund on the same terms as our franchisees. We may spend in any calendar year more or less than the total contributions to the fund in that year and may cause the fund to invest any surplus for future use by the fund. We may borrow from ourselves, our affiliates or other lenders on behalf of the fund to cover deficits, and such amounts shall be treated as a loan. We will keep records of any such borrowing described above. In the event any funds are not allocated at the end of a year, they will remain in the Brand Fund and will be used for the purposes described above.

We have the right to terminate the Brand Fund at any time. If the Brand Fund is terminated, we are not required to return any Brand Fund contributions to any such terminated Brand Fund by you and will expect to use any retained contributions for the terminated Brand Fund for System advertising purposes. None of the Brand Fund contributions paid to us are refundable at any time, including upon termination or expiration of the Franchise Agreement.

~~In 2022, Brand Fund monies were~~During the fiscal year ended December 31, 2023 we spent as follows: 17% on content creation, 50% on the website, and 33% onthe marketing funds in the following manner:

<u>Allocation of Marketing Expenditures From Brand Fund (2023)</u>				
<u>Use of Funds</u>	<u>Production</u>	<u>Media Placement</u>	<u>Administrative Expenses</u>	<u>Other*</u>
<u>Percentage Allocation</u>	<u>1%</u>	<u>70%</u>	<u>0%</u>	<u>29%</u>

* Other includes public relations.

Local or Regional Advertising Cooperatives

We may, but need not, form advertising cooperatives for the benefit of all Executive Home Care businesses operating within a particular region. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative’s members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve.

If your territory is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed the Local Marketing Commitment unless 2/3 of the cooperative members vote in favor of a higher fee. All cooperative advertising fees you pay are credited against your Local Marketing Commitment. Any company-owned Executive Home Care business located in a cooperative will pay cooperative advertising fees on the same basis as other franchisees.

Advertising cooperatives are not required to prepare annual or periodic financial statements, although we may change this policy. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time.

Other Advertising Information

You may develop advertising materials for your own use, at your own cost. As stated above, you must obtain our prior written consent for use of advertising materials. You must submit copies of all advertising materials to us at least ~~two~~2 weeks before you use them. We will review the materials within a reasonable time and will promptly notify you in writing as to whether we approve or reject them.

~~There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your area or Approved Territory. We are not required to create cooperative advertising, although we reserve the right to do so. If we institute cooperative advertising, we may require you to contribute some or all of your local advertising and Brand Fund contributions to an advertising co-op at our sole discretion.~~

~~If co-op advertising is implemented in a particular region, we may establish an advertising council for franchisees in that region at our sole discretion.~~

To date, there is no advertising council for Executive Care franchisees. We do not have to spend any amount on advertising in your territory; except to the extent we operate company-owned Executive Home Care businesses which will pay brand fund fees and cooperative advertising fees on the same basis as franchisees.

Use of Your Own Websites, Social Media and Digital Advertising ~~Material including Electronic Media~~

We have the right to establish and maintain one or more websites, which may promote the Marks and/or the Executive Care System (the “Executive Care Website”). We have the sole right to control all aspects of the Executive Care Website(s), including its design, content, functionality, links to other websites, legal notices, and

policies and terms of usage. Except as approved in advance in writing by us, you may not establish or maintain any website, or otherwise maintain a presence or advertise on the Internet or any other public computer network, in connection with your Franchised Business. If we grant our approval, you must establish and operate a website in accordance with our standards and policies provided to you in the Manuals or otherwise in writing. We have a “social media policy” describing how you may utilize social media websites or applications such as FaceBook, LinkedIn, and Twitter in operating your Franchised Business. You must comply with our requirements in connection with your use of social media.

We may (but are not required to) include in any of our website(s) an interior page containing information about the Franchised Business. If we include such information on the website, we have the right to require you to prepare the page, at your expense, using our designated template. All information must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You must follow our designated intranet and Internet usage rules, policies and requirements, as they may be developed, changed or modified by us at any time during the term of your Franchise Agreement through the Operations Manual. We retain the sole right to approve any linking to, or other use of, the website.

You may not promote or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval, which we do not have to provide. As a condition of granting any consent, we will have the right to establish any requirement we deem appropriate in our sole and absolute discretion.

Pricing

~~You must offer all goods and services that we designate at the prices we designate (subject to applicable law).~~ **Pricing and Promotion Requirements**

We may suggest pricing to you, and in the case of National Accounts, we have the right to establish all pricing structures with the National Account. Subject to applicable law, we reserve the right to require Franchised Businesses in the System to offer certain services and/or products at prices not to exceed the prices we publish from time to time. We also reserve the right to require Franchised Businesses to offer all promotions we specify from time to time, including participating in any charitable promotions we designate. We currently do not prohibit our franchisees from charging prices lower than our published prices for any service or item; however, we reserve the right to do so in the future, to the maximum extent allowed by applicable law. We reserve the right to change the types of authorized goods and services, and to set prices for authorized goods and services for sale by you. There are no contractual limits on our right to make changes.

Computer System

~~You must at all times use and maintain a minimum of two computers at the office.~~ *Description of Computer System and How It's Used*

~~You must purchase and maintain in good working order, a multi-function color laser printer and the ID printer we designate in the Manual from time to time.~~

~~You must utilize the software we designate, which currently includes payroll software, and scheduling and electronic billing software. You also must use Microsoft Office and QuickBooks, us. The Technology Fee you pay to us each month currently covers the annual costs of your maintenance, update, upgrade, and support requirements of certain required software programs. These costs are subject to change. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation.~~

You must purchase, license or acquire such software and hardware as we may require from time to time in the Operations Manual. -We reserve the right to change our software and hardware requirements at any time in our sole and absolute discretion.

You must at all times use and maintain a minimum of 2 computers at the office. You must purchase and maintain in good working order, a multi-function color laser printer and the ID printer we designate in the Manual from time to time.

You must utilize the software we designate, which currently includes: (a) WellSky Personal Care, which is a web-based operating platform that serves as your point-of-sale system and performs client billing, scheduling and payroll functions; and (b) Home Care Pulse, which provides data analytics, eLearning tools and reputation management services. You also must use Microsoft Office and QuickBooks.

Fees and Costs

~~We have independent access to the information gathered and stored in your computer system. We use this information to assess fees and for other purposes. We have the right to independently access all information collected or compiled by you. There are no contractual limitations on our right to access any data stored on the computer system.~~

The estimated cost of the computer system software is \$500 for each computer. We estimate that your computer hardware will cost \$2,000 to \$5,000. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation.

You pay us a technology fee to cover various software, technology and related services we provide. We currently charge a technology fee of \$200 per month (\$2,400 per year) which covers the costs associated with our website and your email. The technology fee is subject to change. The table below identifies the ongoing fees and costs you must pay for the software, technology, Apps, subscriptions and related services (including the software, technology and related services covered by the technology fee):

<u>COMPUTER SYSTEM – ONGOING FEES AND COSTS</u>			
<u>Item</u>	<u>Fee (Monthly)</u>	<u>Fee (Annual)</u>	<u>To Whom Paid?</u>
<u>Technology Fee (website and email)</u>	<u>\$200</u>	<u>\$3,000</u>	<u>Us</u>
<u>Home Care Pulse (data analytics, eLearning & reputation management software)</u>	<u>\$135</u>	<u>\$1,620</u>	<u>Third-Party Licensor</u>
<u>WellSky Personal Care (billing and point-of-sale software)</u>	<u>\$10 per customer per month</u>	<u>\$120 per customer per month</u>	<u>Third-Party Licensor</u>
<u>QuickBooks Online (financial accounting software)</u>	<u>\$150 to \$180</u>	<u>\$1,800 to \$2,160</u>	<u>Third-Party Licensor</u>

You must install and maintain interactive multi-media equipment, devices, and systems we designate, including but not limited to wireless internet and communication systems, interactive devices, and electronic equipment at your office. There are no limitations on our ability to require you to supplement, replace, upgrade, or modify the electronic equipment and wireless communication devices in your business. We may also require you to license from us, or our designee, any software or hardware which we develop or acquire, or which is licensed to us.

Maintenance, Support, Updates and Upgrades

In exchange for the monthly fees listed above, the licensors of the software programs will provide any required maintenance or updates for the software.

Except as otherwise disclosed above: (a) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (b) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection, Sharing and Protection of Data

Your computer will collect various financial and operational data pertaining to your Business. We have independent access to the information gathered and stored in your computer system. We use this information to assess fees and for other purposes. We have the right to independently access all information collected or compiled by you. There are no contractual limitations on our right to access any data stored on the computer system.

Operations Manual

You must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Operations Manual that we provide to you, either in hard copy, electronically or through our web portal or intranet for franchisees. We may revise the contents of the Manual and you must comply with each new or changed standard. The Manual is approximately ~~272~~1,059 pages in length. If you receive a hard copy of the Manual, you must ensure that your copies of the Manual are kept current at all times. The Table of Contents of the Manuals is attached to this Disclosure Document as **Exhibit H** and indicates the number of pages devoted to each topic.

Training

Initial Training Program

After you obtain our approval for an office site within your ~~Approved Territory~~territory, and before you open your Franchised Business, ~~you~~your Responsible Owner and ~~your Franchised Business manager~~Designated Manager (if any) (the “Initial Training Team”) must successfully complete the initial training program to our satisfaction. You can send additional individuals to initial training but we may charge an additional training fee of \$500 per additional trainee. You may not commence operations or open your Franchised Business until your Initial Training Team completes the initial training to our satisfaction. If ~~you do not open your Franchised Business within the time limits identified in your Franchise Agreement~~Initial Training Team fails to successfully complete initial training, we ~~have the right to may~~ terminate ~~your~~the Franchise Agreement.

~~All~~Our initial training ~~(except onsite training) is typically conducted at our designated location, which is program~~ currently includes: (a) 5 days of training held at our corporate headquarters in Scottsdale, Arizona. Onsite training is typically (or any other training location we designate); and (b) approximately 40 hours of onsite training conducted at your conducted at your office, ~~(or another location we designate. However, we may). Onsite training takes place after opening and covers operations and sales. We reserve the right to conduct all training in the medium that we designate, which may be in print, over (or any portion) of the phone, by video, or training program remotely via webinar or otherwise, online. training modules, conference call or similar means.~~

The initial training program will be conducted as often as reasonably necessary to enable you to complete it prior to opening for business. Instructional materials include our Manual and related forms. There ~~will be~~is no additional charge for these items. ~~After opening the Franchised Business, we provide approximately 16 hours of onsite~~Our initial training ~~covering operations and sales.~~program currently includes the following topics:

~~For all required training courses, seminars, and programs, we will provide instructors and training materials to you. Training materials will include the Manual and other materials. All training is provided under the supervision of Rima Chaudhari, whose experience is listed above in Item 2 and whom has been in the home care industry for 10 years having worked as a recruiter, staffing coordinator and client care/operations manager.~~

~~We do not charge a fee for the initial training program for you and your Franchised Business manager, but you must pay the travel, wages and living expenses for those persons attending training. Additionally, if one of our trainers must travel to your location or a location other than our training facility in Scottsdale, AZ, you are responsible for the travel and living expenses for the trainer(s). The costs vary depending upon the distance from our training facility in Arizona to your location.~~

~~We may require you or your employees to attend additional training programs or refresher courses as necessary for successful development of the Franchised Business at our discretion.~~

TRAINING PROGRAM

Pre-Classroom Training

Subject	Hours of Classroom Training*	Hours of On-the-Job Training	Location
Introduction	1	0	Online, Print, Phone, Video and/or Webinar
Introduction to Home Care	4	0	Online, Print, Phone, Video and/or Webinar
Office Set Up and Organization	8	0	Online, Print, Phone, Video and/or Webinar
Account and Profile Set Up	6	0	Online, Print, Phone, Video and/or Webinar
Home Care License Overview	4	0	Online, Print, Phone, Video and/or Webinar
Financial Planning	4	0	Online, Print, Phone, Video and/or Webinar
Staffing	4	0	Online, Print, Phone, Video and/or Webinar
Legal Overview	4	0	Online, Print, Phone, Video and/or Webinar
Service Offering	4	0	Online, Print, Phone, Video and/or Webinar
Territory and Competitive Analysis	9	0	Online, Print, Phone, Video and/or Webinar
Recruiting	4	0	Online, Print, Phone, Video and/or Webinar
Intake and In-Home Assessment	4	0	Online, Print, Phone, Video and/or Webinar
Business Strategy	4	0	Online, Print, Phone, Video and/or Webinar
Operations Portal Introduction	4	0	Online, Print, Phone, Video and/or Webinar
Billing Introduction	4	0	Online, Print, Phone, Video and/or Webinar
Marketing Supplies	4	0	Online, Print, Phone, Video and/or Webinar
Total	72	0	

* Our pre-classroom training is a learning program consisting of online, print, phone, video and/or webinar training, which must be completed prior to attending our formal classroom training outlined below.

Classroom Training

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Introduction & Industry Overview	2	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Company Culture	2	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Executive Care - Business Model	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Franchisee & Franchisor Relations	3	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Service Offering	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Marketing Strategy & Budget	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Managing Your Team	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Technology	3	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Overview of Daily Operations	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Business Plan	4	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Cash Flow Analysis	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Goal Setting	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
System Data & Reports	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Classroom Training Recap	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Overview of On-Site Training	1	0	Typically, Scottsdale, AZ or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Arizona
Total	24	0	

* [We reserve the right to conduct classroom training at another location or remotely via online, print, phone, video and/or webinar.](#)

On-Site Training

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Intro to EHC Marketing Process	0	2	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Marketing & Relationship Sales	0	2	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Technology	0	3	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Care Coordinator Overview	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Marketing Materials Inventory	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Office Staff Management	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Overview of Manager Reports	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Marketing Visit Preparation	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Marketing Goal Setting & Time Management	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Intakes & In Home Assessments	0	5	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Start of Case/Service Delivery	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Start of Business Overview	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Overview of KPI Reports	0	1	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Offsite Marketing Visits	0	9	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Customer Service & Client Retention	0	2	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Recruitment, Training, and Retention	0	8	Typically, your office or another location designated by Us (but may be Online, Print, Phone, Video and/or Webinar) Your Office
Total	0	40	

~~If you do not successfully complete initial training, we may terminate the Franchise Agreement.~~

* [We reserve the right to conduct onsite training at another location or remotely via online, print, phone, video and/or webinar.](#)

[Ongoing Training Programs](#)

From time to time, we may offer additional training programs at the time and in the manner we designate. We may require one or more members of your management team to attend, and successfully complete, any additional

training we designate. ~~We have the right to charge you a fee for additional training of \$750 per day, plus our travel and lodging expenses.~~

Instructor

All training is provided under the supervision of Rima Chaudhari, whose experience is listed above in Item 2 and whom has been in the home care industry for 11-years having worked as a recruiter, staffing coordinator and client care/operations manager.

Training Fees and Costs

We do not charge a fee for the initial training program for 2 members of the Initial Training Team, but you must pay all wages and Travel Expenses for the trainees. If you send more than 2 people to initial training, we may charge an initial training fee of \$500 for each additional person you send. Additionally, if one of our trainers must travel to your location or a location other than our training facility in Scottsdale, Arizona, you are responsible for the travel and living expenses for the trainer(s). The costs vary depending upon the distance from our training facility in Arizona to your location. We do not require reimbursement of these costs for any onsite training we conduct as part of our initial training program. If we provide initial training for new trainees after you open, we may charge you an initial training fee of \$500 per trainee.

We may require you or your employees to attend additional training programs or refresher courses as necessary for successful development of the Franchised Business at our discretion. We have the right to charge you a fee for additional training of \$750 per day, plus reimbursement of our Travel Expenses.

ITEM 12 TERRITORY

~~You must operate the Franchised Business from the single approved office site (the “Approved Location”) listed in your Franchise Agreement. The Approved Location must be within the Approved Territory. You may not operate the Franchised Business from a home office.~~

~~We will grant you an Approved Territory of approximately 300,000 residents based on population demographics. Because the Approved Territory will be based on population demographics, it may be determined by municipal boundaries, natural boundaries, or zip codes, postal codes, or other factors we determine. The Approved Territory will be delineated on a map or other description we designate, which will be attached to your Franchise Agreement. You will operate the Franchised Business from the Approved Location and only within the Approved Territory. If the population within the Approved Territory decreases over time, we have no obligation to increase the size of the Approved Territory.~~

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Office Location

You will operate your Business from an office that we approve. Your office must be located in your territory. The approved site for your office will be listed in your Franchise Agreement. You may not operate your Business from a home office. You may not relocate your office except with our approval, which we may withhold in our sole discretion. As a condition to relocation, we may require that you: (a) identify and obtain our approval of the site for your new office (which must be located in your territory); (b) develop and equip your new office to confirm to our then-current System standards and specifications; (c) sign a general release (subject to state law); and (d) close your office for no more than 3 days while you move equipment and fixtures (you must continue to operate your Business at all times). Factors we may consider when evaluating a relocation request may include, among other things, proximity to other locations or demographics of the proposed location.

Territory Description

We will grant you a protected territory that includes a minimum population of approximately 300,000 people. Because the territory will be based on population demographics, it may be determined by municipal boundaries, natural boundaries, or zip codes, postal codes, or other factors we determine. The territory may be delineated on a map or other description we designate, which will be attached to your Franchise Agreement. We have no obligation to modify your territory based on population changes during the term of the Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

Territorial Protections and Limitations

So long as you are in full compliance with the Franchise Agreement, we will not operate, or grant a third party the right to operate, a Franchised Business under the Marks from a physical location inside ~~the Approved Territory.~~

~~We and our affiliates retain all rights that are not expressly granted to you under the Franchise Agreement. Specifically, we and our affiliates reserve the right to, among others:~~

~~(a) advertise, market and promote the Marks, System and the services offered under the System and Marks on the Internet and inside and outside the Approved Territory;~~

~~establish, own, or operate, and grant others the right to establish, own or operate Franchised Businesses or other businesses offering the same or similar services your territory except as those offered through the Franchised Business under the Marks anywhere outside the Approved Territory; otherwise provided below.~~
We and our affiliates reserve the right to:

~~(b) establish, own or operate, and grant others the right to establish, own or operate a business offering the same or similar services as those offered through the Franchised Business, or different services under different trademarks (other than the Marks) inside and outside the Approved Territory;~~

- ~~. businesses that offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised services in your territory that are the same as or similar to those offered by your Business, as long as these businesses, at wholesale or retail, or through alternative channels of distribution (including the Internet), branded goods under the Marks or any other trademarks inside and outside the Approved Territory; do not operate under the Marks~~
- ~~provide services to, or grant others the right to, and license third parties to provide, services to, National Accounts (as defined below) located inside and outside the Approved Territory; and/or in your territory, including services that are (a) the same as or similar to those offered by your Business and (b) provided under the Marks~~

- merge with, acquire or be acquired by any business ~~of any kind under other systems and/or other marks, which business may offer, sell, that operates and/or licenses others to operate or distribute and/or license others to offer, sell, operate and distribute~~ competitive businesses offering goods and services the same as, or similar to, ~~or different from~~ those offered by your ~~Franchised-Business, and convert them to businesses operating~~ under the Marks or ~~under~~ any other ~~trademarks inside or outside the Approved Territory-name, even if located in your territory~~

Alternative Channels of Distribution

We ~~and our affiliates~~ reserve the right to ~~directly, sell and distribute, and license third parties to sell and distribute, products and services bearing the Marks (or indirectly different trademarks) within your territory through us, our affiliates, or licensees~~ (alternative channels of distribution, including over the Internet or through telemarketing, direct marketing or catalogs. You are not entitled to any compensation for sales made by us or third parties within your territory through alternative channels of distribution.

National Accounts~~other franchisees),~~

We reserve the right to solicit, offer and provide services to National Accounts, ~~both inside and outside the Approved Territory~~ including within your territory. We may provide these services directly or indirectly through affiliates, licensees or other franchisees. The term “National Accounts” means businesses that we designate, including hospitals, nursing homes, assisted living centers and other businesses that own, manage, control, service or otherwise operate from locations that have clients or approved locations in more than one Executive Care franchisee’s approved territory or geographic location.

You ~~are prohibited from contracting~~ may not contract with, or provide services to, National Accounts unless you obtain our prior written consent. We and/or our designees have the exclusive right, but not the obligation, to negotiate and enter into agreements with, or to approve forms of agreements for providing supplemental healthcare staff to, “National Accounts,” including National Accounts with locations in your territory. If a National Account contacts you directly, you must refer the National Account to us. ~~Approved Territory.~~ If a National Account requests services inside ~~the Approved Territory~~ your territory, we will offer ~~to~~ you the right to provide the services on the same terms and conditions as are in the contract we negotiate with the National Account.

We ~~will~~ are not ~~be~~ required to offer you the right to provide services to a National Account if: ~~(i any of the following are true:~~ (a) you are in default of the Franchise Agreement or any other agreement between you and us; ~~(ii b)~~ in our business judgment, we do not believe that you are able to provide the requested services to the National Account; ~~(iii c)~~ you fail to accept the National Account business within the timeframe outlined in the National Account offer or agreement; or ~~(iv d)~~ the National Account objects to you providing the service. ~~If we do~~ are not required to offer you the right to service the National Account ~~business to you, or if we offer you the right but you decline the offer or fail to accept the offer in the time and manner required by the Franchise Agreement,~~ then we may: ~~(i a)~~ provide the services required by the National Account inside ~~the Approved Territory; your territory;~~ or ~~(ii b)~~ contract with a third party, which may be our affiliate, another Executive Home Care franchisee or an unrelated third party, to provide the services required by the National Account inside ~~the Approved Territory~~ your territory. We are not required to pay you any consideration or compensation if we, our affiliate or a third party provide services to a National Account inside ~~the Approved Territory; your territory.~~ If you provide the services in accordance with the contract between us and the National Account, we will pay you as detailed in the Manual.

Minimum Performance Requirements

Your territorial protections under the Franchise Agreement do not depend on achieving a certain sales volume, market penetration or other contingency. However, there is a minimum monthly royalty payment requirement. If you fail to meet this requirement, we have the right to: (a) reduce the size of your territory and/or eliminate your territorial protections; or (b) terminate your Franchise Agreement.

Restrictions on Marketing and Operations Outside of Territory

~~You will operate your Business from your approved office location. Except as~~ ~~If a National Account contacts you directly, you must refer the National Account to us.~~ We have the right but not the obligation to negotiate all contracts with ~~National Accounts~~ and you will not have any right to negotiate any contract or provide services to the National Account without our express written consent.

~~You may not relocate your Franchised Business without our prior written approval. We may approve the relocation of your Franchised Business in our sole discretion. Factors we may consider when evaluating relocation may include, without limitation, proximity to other locations or demographics of the proposed locations, among other things. You are not granted a right of first refusal related to the sale of other franchises.~~

~~You may not advertise or~~ otherwise provided below, you may not: (a) operate your Business, or offer or provide any products or services, outside ~~the Approved Territory, without first obtaining our prior written consent.~~ ~~You may not~~ your territory; (b) advertise outside your territory; or (c) solicit clients, or potential referral sources outside ~~the Approved Territory without our prior written consent.~~ your territory.

We may designate any referral sources in your ~~Approved Territory~~ territory, or in another ~~Executive Care~~ franchisee's ~~approved~~ territory, to be "non-exclusive," if the referral source regularly provides services to clients in your ~~Approved Territory~~ territory or in another ~~Executive Care~~ franchisee's ~~approved~~ territory. You ~~or other franchisees~~ may solicit business from non-exclusive referral sources located outside your territory, provided that you meet all of our requirements for such solicitation.

You may not offer, sell, operate, distribute and/or license others to sell, operate and distribute, at wholesale or retail, or through alternative channels of distribution (including the Internet), ~~branded goods~~ products or services under the Marks or any other trademarks inside or outside your Approved Territory.

If an area that is contiguous to your ~~Approved Territory~~ territory has not been granted to another Executive Home Care franchisee, ~~or if it is not regularly serviced by us or our affiliates~~ business, we may authorize you to solicit business from referral sources there and we may authorize you to provide services to clients there, subject to any conditions that we may impose in our sole discretion. Those conditions may include: ~~(i)~~ (a) a restriction on solicitations circulating in other franchisees' approved territories; ~~(ii)~~ (b) your achievement of certain performance thresholds in ~~the Approved Territory;~~ your territory; (c) a limitation providing that our consent will immediately terminate if the area in which you are soliciting or servicing clients is granted to another Executive Home Care franchisee, ~~or is served by us or one of our affiliates~~ business, in which case we may require you to: provide all client information to ~~that franchisee or the executive in charge of our or our affiliate's operation in the area, to~~ owner or designated representative of such Executive Home Care business; introduce ~~that franchisee or our or our affiliate's executive in charge of the area to the~~ referral sources ~~from which you have derived referrals,~~ in the area to the owner or designated representative of such Executive Home Care business; and aid in the transition of the referral source and client services to the ~~other franchisee or to our or our affiliate's executive in charge of the area.~~ owner or designated representative of such Executive Home Care business.

We reserve the right to permit you to service clients outside ~~the Approved Territory~~ your territory, even if we subsequently ~~license~~ assign the area in which the client is located to another ~~System franchisee or licensee.~~ Executive Home Care business. Similarly, we reserve the right to permit other Executive ~~Care~~ franchisees, ourselves, or our affiliate's executive in charge of the area, Home Care business to service clients located in ~~the Approved Territory~~ your territory if: ~~(i any of the following are true:~~ (a) the other ~~franchisee or licensee, or we or our affiliate,~~ Executive Home Care business previously serviced the client; ~~(ii;~~ (b) you do not have the applicable licenses or certification required by applicable law to service the client;

~~or (iii) at the client's request; or (c) the client specifically requests service from such other Executive Home Care business.~~

~~Neither Additional Franchises and Territories.~~

~~You are not granted any options, rights of first refusal or similar rights to acquire additional territories or Franchised Businesses.~~

Competitive Businesses Under Different Marks

~~Currently, neither we nor our affiliates currently plan any affiliate of ours intends to operate or franchise any another business under any a different trademark, but that sells products or services similar to the services offered by an Executive Home Care business. However, we reserve the right to do so in the future. Neither we nor our affiliates are restricted from establishing other franchises or company owned Businesses, or other channels of distribution, selling or leasing similar products or services under a different trademark including within your Approved Territory.~~

~~There is no minimum sales quota within the Approved Territory. However, there is a minimum monthly royalty payment requirement. If you fail to meet this requirement, we have the right to reduce the size of your Approved Territory, eliminate any exclusivity in your Approved Territory or terminate your Franchise Agreement.~~

ITEM 13 TRADEMARKS

We grant you the right to operate a business using our System, which is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin (the "Marks") as are designated by us in writing for use in connection with the System. We have obtained a registration for the following principal marks on the Principal Register of the United States Patent and Trademark Office:

<u>REGISTERED MARKS</u>		
Registration Number	Description of Mark	Registration Date <u>(Renewal Date)</u>
4229224		10/23/2012 <u>(7/26/2022)</u>
5568510	EXECUTIVE CARE	9/25/2018
5563804		9/18/2018
5827638		8/6/2019
5883800	DISCOVER THE HOME CARE DIFFERENCE	10/15/2019

<u>REGISTERED MARKS</u>		
Registration Number	Description of Mark	Registration Date <u>(Renewal Date)</u>
5879227	DISCOVER THE POWER OF HELPING OTHERS	10/8/2019
Serial No. 97430560 <u>7271291</u>		Application Date: May 26, 2022 <u>1/9/2024</u>
Serial No. 97430557 <u>7290191</u>	EXECUTIVE HOME CARE	Application Date: May 26, 2022 <u>1/23/2024</u>

We have timely filed, or intend to timely file, with the United States Patent and Trademark Office all required affidavits of use and an affidavit of incontestability, when due, for the above Marks and applications.

You must follow our rules when you use the Marks. You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You cannot modify a Mark in any way without our express written consent. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

There ~~is no~~are currently ~~no:~~ (a) effective ~~determination~~material determinations of the ~~United States~~ Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of ~~any~~this state or any court, ~~or any:~~ (b) pending ~~interference, opposition or cancellation proceeding, or any~~infringements, oppositions or cancellations: (c) pending material litigation ~~matters~~involving any of the above-described Marks ~~which are relevant to:~~ (d) ~~infringing uses we are aware of that could materially affect~~ your use of these Marks:

~~No currently effective material determinations or:~~ or (e) agreements ~~that~~ limit our right to use or license thesublicense use of the ~~trademarks listed in this section in a manner material to the franchise.~~

~~We do not know of any pending material state or federal court litigation regarding our use or ownership rights in the trademarks~~Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademarks. We are not contractually obligated to protect your right to use the principal trademarks listed in this Item 13. We will indemnify and hold you harmless from any expense or liability arising from infringement or unfair competition claims based on your use of the Marks, so long as your use of the Marks is in accordance with the Franchise Agreement and the Manual pursuant to Section 8.5 of the Franchise Agreement. You must promptly notify us in writing of any claim, demand, or suit against you or your principals in connection with your use of the Marks. We have the right to select legal counsel to protect your interests and to control the proceedings, but we are not obligated to do so. You must cooperate fully with us in any such action. We are not required to participate in your defense.

We have the right to require you to modify or discontinue use of a trademark. Under the franchise agreement, you must comply with any imposed modification or discontinuance at your own cost and expense. You have no right to terminate the franchise agreement, or any other right, if we exercise our right to modify or discontinue use of any trademark. You may not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

~~We do not know of any superior rights or infringing uses that could materially affect your use of our principal trademarks.~~

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

There are no current or pending patents that are material to your franchise. There are no pending patent applications that are material to your franchise. Although we have not filed an application for a copyright registration for the Manual, [our website or our marketing materials](#), we ~~own and do~~ claim a copyright ~~in it and in our recipes to these items.~~

There are no current material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or any court regarding any patents or copyrights material to the Franchised Business.

~~As of the date of this Disclosure Document, we do not know of any patent or copyright infringement that could materially affect the Franchised Business.~~

Confidential Information

Because we consider much of the information contained in our Manual, and our forms, policies and procedures manuals, to be confidential, we require you, your partners, agents, representatives and your employees to sign confidentiality agreements to protect the Manual's contents and our trade secrets. ~~All~~ [We will be the exclusive owner of all](#) ideas, concepts, techniques and material concerning the Franchised Business ~~are the sole and exclusive property to Executive Care.~~ You are responsible for requiring your employees and agents to comply with ~~Executive Care's~~ [our](#) confidentiality policies.

Infringements

[You must promptly notify us if you discover any unauthorized use of our confidential information or copyrighted materials. We are not obligated to act, but will respond as we deem appropriate. You may not control any proceeding or litigation involving allegations of unauthorized use of our confidential information or copyrighted materials. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our confidential information or copyrighted materials. There are no infringements known to us at this time that could materially affect the Franchised Business.](#)

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

We require that you (or if you are a legal entity, one of your owners who has completed our initial training program to our satisfaction) (the "Designated Manager") to personally supervise the Franchised Business. Your Designated Manager must devote his or her full time and best efforts to the Franchised Business. With our prior approval, you may designate an individual who does not have an ownership interest in the franchisee entity, but who has completed our initial training program to our satisfaction, to serve as the Designated Manager. We do not guarantee that you will be able to delegate your responsibility to a third party with no ownership interest in you. You must also designate a "Responsible Owner" who will be identified in Exhibit 7 to the Franchise Agreement. The "Responsible Owner" must be an individual approved by us who (a) has an ownership interest in you; (b) has the authority to bind you regarding all operational decisions with respect to your Franchised Business; and (c) has completed our training program to our satisfaction. If you are a legal entity and your Designated Manager owns an interest in you, then your Designated Manager and your Responsible Owner may be the same person.

You must implement procedures to prevent unauthorized use or disclosure of confidential information. These procedures include the use of non-disclosure agreements with your owners, offices, directors, managers and persons who will have access to confidential information, including those who attend our initial training program or other training ~~program(s)~~ [programs](#).

Each of the principals of your entity must sign a guaranty of the Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement and must sign a written agreement agreeing to be bound by the confidentiality and the covenants not to compete provisions contained in the Franchise Agreement. We may, if needed to satisfy our standards of creditworthiness or to secure the obligations made under

the Franchise Agreement, require your spouse, and the spouse of the Principals to sign the Personal Guaranty and Subordination Agreement.

You are an independent contractor and not our representative, partner, agent or employee. You have no authority to make any contract, agreement, warranty or representation to create any obligation binding on us. You will control the manner and means of operating your Franchised Business and will exercise complete control over your employees, including hiring and firing, scheduling, payroll and benefits functions. You must prominently display appropriate notices, including in the form, manner and location we designate, to inform the public and your employees that you independently own and operate the Franchised Business under license from us and you are not our agent.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell all, ~~and only those~~ goods and services that we have designated and approved, subject to applicable law, including any applicable licensing requirements. You may not offer or sell any ~~products~~goods or services that we have not authorized you to offer. ~~You may not offer any products or services outside of your Approved Territory without our prior written consent.~~ You must discontinue offering for sale any items, products and/or services we disapprove, which we have the right to do at any time. ~~You must offer all goods and services that we designate at the prices we designate (subject to applicable law). We may suggest pricing to you, and in the case of National Accounts, we have the right to establish all pricing structures with the National Account.~~ We reserve the right to change the types of authorized goods and services, ~~and to set prices for authorized goods and services for sale by you~~ you may sell. There are no contractual limits on our right to make changes.

Currently, you are expressly prohibited from participating in government payment programs, including, by way of example only, Medicaid and Medicare.

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.

<u>THE FRANCHISE RELATIONSHIP</u>		
PROVISION	SECTIONS IN Franchise AGREEMENT	SUMMARY
a. Length of the franchise term	Section 4.6.1	10 years from the full execution of the Franchise Agreement.
b. Renewal or extension of the term	Section 4.6.2	We may renew the franchise relationship for two additional 5-year terms provided you are not in default and otherwise meet our renewal criteria. <u>If you meet our conditions for renewal, you can enter into 2 consecutive successor franchise agreements. Each renewal term will be 5 years. The parties may mutually agree to further renewals but neither party is obligated to do so (subject to state law).</u>

THE FRANCHISE RELATIONSHIP

PROVISION	SECTIONS IN Franchise AGREEMENT	SUMMARY
c. Requirements for franchisee <u>you</u> to renew or extend	Section 4.6.2	Good standing; You must: not be in default; give us timely notice, pay any; sign then current successor form of franchise agreement; sign general release (subject to state law); pay renewal fee; sign; and conform your Business to then-current standards for new agreement that franchisees. <u>If you renew, you</u> may contain <u>be required to sign a contract with</u> materially different terms and conditions than the Franchise Agreement in this Disclosure Document, be current in payments, and sign release; modernize Business to meet then-current standards <u>original contract.</u>
d. Termination by franchisee <u>you</u>	Not Applicable	Franchisees <u>You</u> may terminate under any grounds permitted by law.
e. Termination by us without cause	Not Applicable	<u>We may only terminate for cause.</u>
f. Termination by us with cause	Section 10.2	We can terminate only if you default.
g. “Cause” defined – <u>curable</u> defaults	Section 10.2.2 – 10.2.3	<u>You have 5 days to cure any monetary default.</u> You have 30 days to cure <u>any other default, other than defaults described below under “non-curable defaults other than nonpayment of fees. You have 5 days to cure non payment of fees.”</u>
h. “Cause” defined – <u>non-curable</u> defaults	Section 10.2.1	Non-curable <u>The following</u> defaults cannot be cured : misuse of trademarks; <u>;</u> breach of non-competition; unauthorized transfer; <u>covenant</u> ; material misrepresentation; <u>;</u> unauthorized Transfer ; lack of prior written consent when required; <u>;</u> abandonment; <u>;</u> repeated defaults even if cured; <u>;</u> threat to public health or safety; <u>;</u> loss of license; <u>;</u> violation of health care or privacy laws; <u>;</u> bankruptcy; <u>;</u> plead guilty or no contest to or conviction of a felony; abandonment; failure to comply with laws; <u>;</u> knowingly maintain false books or records or submit any false reports; <u>;</u> commission of three <u>3</u> or more breaches in a 12-consecutive month period.
i. Franchisees <u>Your</u> obligations on termination/ <u>non-renewal</u>	Section 10. 3 <u>2</u>	Obligations include: <u>final accounting;</u> complete de-identification; <u>;</u> at our option to purchase, sell your assets, our option to assume your real estate lease, and assign any your lease and all licenses, (including home care licenses,) to us or our designee, payment of liquidated damages (upon termination), payment of; <u>pay</u> amounts due (also see r. below).
j. Assignment of contract by us	Section 9.6	No restriction on our right to assign.
k. “Transfer” by franchisee <u>you</u> – definition	Section 3.20	Includes transfer of contract or assets; any ownership change.
l. <u>Our approval of transfer by you</u>	<u>Section 9</u>	<u>We must approve all Transfers.</u>

THE FRANCHISE RELATIONSHIP

PROVISION	SECTIONS IN Franchise AGREEMENT	SUMMARY
<p>Our <u>m.</u> Conditions for our approval of transfer by franchisee</p>	<p>Section <u>Sections 6.8, 9</u></p>	<p>You may not transfer the franchise agreement, any interest in the Franchised Business, and/or, if you are a legal entity, any interest in the franchisee entity or any owners of the franchisee entity, without our prior written approval. We have the right to approve all transfers. <u>[Permitted Transfers – as defined in Note 2 in Item 6]</u> <u>You must: be in compliance with Franchise Agreement; pay transfer fee (no fee imposed for a Transfer by the individual owners to a wholly-owned entity within 6 months after signing Franchise Agreement); provide corporate documents (if assignee is an entity); and sign general release (subject to state law).</u></p>
<p>Conditions for our approval of transfer</p>	<p>Sections 6.8, 9</p>	<p>New franchisee qualifies, payment of all of your outstanding debts to us, cure of any defaults, current agreement signed by new franchisee or assumption of current agreement, initial franchise fee paid, training completed, and release signed by you and your Related Parties. <u>[Other Transfers]</u> <u>Transferee must: meet our qualifications; successfully complete training; sign then-current form of franchise agreement or, at our option, assume your Franchise Agreement.</u> <u>You must: be in compliance with Franchise Agreement; pay transfer fee; and sign general release (subject to state law).</u></p>
<p>n. <u>n.</u> Our right of first refusal to acquire franchisee's your business</p>	<p>Section 9.3</p>	<p>We can match any offer for your business. <u>Business. Our right of first refusal does not apply to a Permitted Transfer.</u></p>
<p>o. <u>o.</u> Our option to purchase franchisee's your business</p>	<p>Section 9.3, 10.32</p>	<p>We may, but are not required <u>Upon termination or expiration of the Franchise Agreement, we have the option to; purchase: (a) your inventory and equipment and supplies at the lesser of fair market value or depreciated value if franchise is terminated for; and (b) your other tangible personal property at depreciated value calculated on straight-line method over 5 years less any reason.</u> <u>liens or encumbrances.</u></p>
<p>Death. <u>p.</u> Your death or disability of franchisee</p>	<p>Section 9.5</p>	<p>Heirs or beneficiaries must demonstrate, within 60 days, ability to operate franchise. Otherwise, franchise must be assigned by estate to approved buyer within 6 months. <u>in compliance with conditions for other Transfers.</u></p>
<p>q. <u>q.</u> Non-competition covenants during the term of the franchise</p>	<p>Section 8.6</p>	<p>No competing business <u>interest in or involvement with a Competitive Business (as defined in Section 8.6.3 of the Franchise Agreement) during the term of the franchise.</u></p>

THE FRANCHISE RELATIONSHIP

PROVISION	SECTIONS IN Franchise AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	Section 8.6	For a period of 2 years after termination, expiration or transfer, as applicable , no interest or involvement with a Competing ^{tive} Business that is (a) located at the Approved Location; (b) located or providing or provides services: <u>(a) within, your territory or anywhere within 20 miles, of the Approved Territory, or; (c) located or providing services of your territory; or (b) within, or within 20 miles, the territory of any other System franchisee's Approved Territory, Executive Home Care business or anywhere within 20 miles of any such territory.</u> During that time, you also must not provide any services that a Competitive Business offers to any client of ours or any client of the Franchised Business, regardless of where the client is located.
s. Modification of the agreement	Section 11.4	No modification generally unless on consent of both parties, but Manual subject to change. Approved Territory may be modified by Franchisor unilaterally if you are in default of the Franchise Agreement.
t. Integration/ merger clause	Section 11.6	Only the terms of the — Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. <u>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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.</u>
u. Dispute resolution by arbitration or mediation	Sections 11.7	With the exception of certain claims; we may raise, all claims must first be mediated prior to litigation.
v. Choice of forum	Section 11.2	Superior Court of Arizona, Maricopa County; United States District Court for the District of Arizona (subject to state law).
w. Choice of law	Section 11.2	Arizona law applies (subject to state law).

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.

~~As of December 31, 2022, ten (the “Reporting Franchisees”) Franchised Businesses were open and in operation on January 1, 2022, and during the entire time period of January 1, 2022, to December 31, 2022 (the “Measurement Period”). This Item 19 excludes three (3) Franchised Businesses that were open~~

on January 1, 2022, but did not operate for the full Measurement Period, and nine (9) territories that were not in existence as of January 1, 2022, and therefore did not operate for the full Measurement Period.

This Item 19 identifies the certain historical Net Billings, Payroll Expenses, and Gross Margin Percentages information experienced by the Reporting Franchised Businesses during the Measurement Period. Table I presents results for all eleven Reporting Franchisees, Table II presents results for the top 3 grossing franchisees, Table III presents results for the top 5 grossing franchisees, Table IV presents results for the bottom 5 grossing franchisees, and Table V presents results for the bottom 3 grossing franchisees.

The financial performance information included in this Item 19 has not been independently audited or verified by us and is based on the information provided to us by the Reporting Franchisees.

I. All Reporting Franchised Businesses: Average and Median Net Billings, Payroll Expenses, and Gross Margin Percentages for all ten Reporting Franchisees:

	Average	Median	Low	High	Number and Percentage that Attained or Exceeded the Average
Net Billings	\$1,804,885	\$1,560,538	\$428,291	\$3,645,184	5 (50%)
Payroll Expenses	\$1,196,018	\$1,054,120	\$292,144	\$2,598,811	5 (50%)
Gross Margin %	34.63%	34.62%	28.71%	43.81%	5 (50%)

II. Top 3 Reporting Franchised Businesses: Average and Median Net Billings, Payroll Expenses, and Gross Margin Percentages for the Top 3 Grossing Reporting Franchisees:

	Average	Median	Low	High	Number and Percentage that Attained or Exceeded the Average
Net Billings	\$3,235,027	\$3,054,643	\$3,005,255	\$3,645,184	1 (33.3%)
Payroll Expenses	\$2,186,986	\$1,994,871	\$1,967,276	\$2,598,811	1 (33.3%)
Gross Margin %	32.65%	34.54%	28.71%	34.69%	1 (33.3%)

III. Top 5 Reporting Franchised Businesses: Average and Median Net Billings, Payroll Expenses, and Gross Margin Percentages for the Top 5 Grossing Reporting Franchisees:

	Average	Median	Low	High	Number and Percentage that Attained or Exceeded the Average
Net Billings	\$2,817,573	\$3,005,255	\$2,061,842	\$3,645,184	3 (60%)
Payroll Expenses	\$1,898,545	\$1,967,276	\$1,443,924	\$2,598,811	3 (60%)
Gross Margin %	32.76%	34.54%	28.71%	35.89%	4 (80%)

IV. Bottom 5 Reporting Franchised Businesses: Average and Median Net Billings, Payroll Expenses, and Gross Margin Percentages for the Bottom 5 Grossing Reporting Franchisees:

	Average	Median	Low	High	Number and Percentage that Attained or Exceeded the Average
Net Billings	\$792,197	\$935,320	\$428,291	\$1,059,233	3 (60%)
Payroll Expenses	\$493,491	\$525,534	\$292,144	\$664,316	3 (60%)
Gross Margin %	36.50%	37.28%	30.87%	43.81%	3 (60%)

V. ——— Bottom 3 Reporting Franchised Businesses: Average and Median Net Billings, Payroll Expenses, and Gross Margin Percentages for the Bottom 3 Grossing Reporting Franchisees.

	Average	Median	Low	High	Number and Percentage that Attained or Exceeded the Average
Net Billings	\$638,437	\$551,699	\$428,291	\$935,320	1 (33.3%)
Payroll Expenses	\$399,681	\$381,366	\$292,144	\$525,534	1 (33.3%)
Gross Margin %	35.49%	31.79%	30.87%	43.81%	1 (60%)

Notes:

1. ——— The term Defined Terms

For purposes of this financial performance representation, the following terms have the meanings given to them below.

“Blended Territory” refers to multiple Territories owned by a single franchisee with respect to which the Net Billings and expense data are aggregated on a combined basis and cannot separately be tracked or allocated to a specific Territory.

“Company-Owned Outlet” means an Executive Home Care business that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person, or another person listed in Item 2, also manages the Executive Home Care business.

“Converted Territory” means a Territory that either: (a) was owned by a Company-Owned Outlet but sold to a Franchised Outlet during the Measuring Period; or (b) was owned by a Franchised Outlet but sold to a Company-Owned Outlet during the Measuring Period.

“FPR” means the financial performance representation set forth in Item 19 of this Disclosure Document.

“Franchised Outlet” means any Executive Home Care business that is owned by a franchisee.

“Gross Margin” means the financial performance metric calculated as Gross Profit divided by Net Billings.

“Gross Profit” means the financial performance metric calculated as Net Billings minus Payroll Expenses.

“Measuring Period” means the period of time commencing January 1, 2023 and expiring December 31, 2023.

“Net Billings” means the aggregate of all amounts billed on the sales of any and all services and products, and all revenues and other income from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration and whether or not payment is received at the time of sale or any of these amounts prove uncollectible), which arise from or were derived by ~~each of the Reporting Franchised Businesses and our one affiliate-owned business~~ Outlet during the Measuring Period.

Net Billings excludes: (i) sales tax and other taxes separately stated that ~~you collect~~ are collected from clients and paid directly to taxing authorities; and (ii) Reimbursable Expenses, (as defined in Note 2 of Item 6). If the Franchised Outlet services a National Account that submits payment to us, Net Billings also includes the amount we collect from the National Account and remit to the Franchised Outlet.

~~2. The term “Payroll Expenses” means: and includes the salaries and wages reportedly paid to the Reporting Franchised Businesses’ Outlet’s caregiver employees, and during the employees of our affiliate Measuring Period.~~

“Qualifying Franchisee” means a franchisee that owned a Franchised Outlet that operated at least 1 Qualifying Territory during the entire Measuring Period.

“Qualifying Territory” means any Territory that satisfies the following criteria: (a) the Territory was fully operational for the entire Measuring Period (except as otherwise provided below for a Blended Territory); (b) the franchisee that owned the Territory provided us with all data we requested in order to prepare this FPR; and (c) the Territory was not a Converted Territory.

With respect to a Blended Territory (i.e., multiple Territories with respect to which Net Billings and expense data cannot be separately tracked by Territory due to the configuration of the point-of-sale system), each Territory that comprises the Blended Territory that was open and operational at any point during the Measuring Period is a Qualifying Territory, including: (a) any Territory that was operational for part of (but not the entire) Measuring Period; and (b) any Territory that was a Converted Territory.

System Statistics

There were no Company-Owned Outlets in operation during the Measuring Period. Therefore, this FPR is limited to data from Franchised Outlets.

As of December 31, 2023 (the last day of the Measuring Period), there were: (a) 13 franchisees in operation, 11 of which are Qualifying Franchisees; and (b) 18 Territories in operation, 16 of which are Qualifying Territories. Of the 11 Qualifying Franchisees included in this FPR, 1 Qualifying Franchisee operated 3 Qualifying Territories and 3 Qualifying Franchisees operated 2 Qualifying Territories during the Measuring Period. The remaining 7 Qualifying Franchisees operated 1 Qualifying Territory during the Measuring Period. The table below summarizes the Qualifying Franchisees and Qualifying Territories whose data has been provided in this FPR:

<u>2023 Franchised Outlets & Qualifying Territories</u>						
<u>Qualifying Franchisees</u>	<u>Territory Statistics for 2023</u>					
	<u>Open As Of Jan 1, 2023</u>	<u>Open As Of Dec 31, 2023</u>	<u>Opened During 2023</u>	<u>Closed During 2023</u>	<u>Converted During 2023</u>	<u>Qualifying Territories</u>
<u>11</u>	<u>18</u>	<u>18</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>16</u>

There are no material differences between the operations of the Qualifying Franchisees and Qualifying Territories and the franchised business, ~~during the Measurement Period, including salaries and wages reportedly paid to~~ offered under this Disclosure Document.

Subsets Utilized

Franchisees that own and operate a Blended Territory (each of which is comprised of 2 or more individual Territories) are unable to separately track Net Billings and expenses on a “per-Territory” basis due to the configuration of their point-of-sale system. In most cases, a Blended Territory involves multiple contiguous Territories owned by the same franchisee entity that may be serviced by the same caregivers, ~~field employees, and nurses.~~ The Payroll Expense figures included above do not include all expenses a Franchised Business will incur. Your (i.e., a caregiver may provide services in multiple Territories). Since data for the various Territories included as part of a Blended Territory cannot be separately tracked, we created subsets for Blended Territories based on the number of Qualifying Territories included within the Blended Territory. In 2023, there were 4 franchisees that operated a Blended Territory. Of the 4 Blended Territories, 1 Blended Territory

consisted of 3 Territories and each of the remaining 3 Blended Territories consisted of 2 Territories. The table below summarizes these subsets:

<u>Blended Territory Subsets</u>			
<u>Subset</u>	<u>Number of Qualifying Territories Included in Blended Territory</u>	<u>Number of Qualifying Franchisees in Subset</u>	<u>Total Number of Qualifying Territories in Subset</u>
<u>1</u>	<u>3 Qualifying Territories</u>	<u>1</u>	<u>3</u>
<u>2</u>	<u>2 Qualifying Territories</u>	<u>3</u>	<u>6</u>
<u>Total</u>	<u>2 or 3 Qualifying Territories</u>	<u>4</u>	<u>9</u>

* For franchisees that operate a Blended Territory, the number of Qualifying Territories is determined as the total number of Territories comprising the Blended Territory that were open and operational at any point during the Measuring Period, including Territories that were: (a) acquired after the commencement of the Measuring Period; and/or (b) closed prior to the expiration of the Measuring Period.

In some cases, a franchisee that owns and operates multiple Territories does have the ability to separately track Net Billings and expenses will vary on a “per-Territory” basis. Under those circumstances, the Territories are not considered a Blended Territory and data for each Territory is separately provided on a “per-Territory” basis.

In 2023, there were no franchisees that operated multiple Qualifying Territories (for which data could be separately tracked) for the entire Measuring Period. There were 2 existing franchisees that opened additional Territories in 2023 (each franchisee opened 1 additional Territory). In both instances, the franchisee was able to separately track data on a per-Territory basis. Data from these 2 Territories was excluded from this FPR because: (a) the Territories were not part of a Blended Territory; and (b) the Territories were not operational the entire Measuring Period.

The remaining 7 Qualifying Territories are not part of a Blended Territory. For each these Qualifying Territories, we have separately broken out the data into brackets based on performance, including the top 3 Qualifying Territories and bottom 3 Qualifying Territories. Each bracket is a “subset”.

Financial Performance Representation

The following table presents the historical Net Billings, Payroll Expenses, Gross Profit and Gross Margin achieved during the Measuring Period by 11 Qualifying Franchisees for all Qualifying Territories. For each financial performance metric, the data includes highest, lowest, median, average and the number and percentage of Qualifying Franchisees that attained or surpassed the stated average. The financial data presented below Net Billings (i.e., Payroll ~~and labor expenses~~ Expenses, Gross Profit and Gross Margin) is not necessarily linked to the same Territory or Blended Territory that generated the stated Net Billings. For example, a Territory that generated the highest Net Billings may not be the Territory that generated the highest Gross Profit or Gross Margin. For Payroll Expenses, the number and percentage of Qualifying Franchisees that attained or surpassed the stated average means that they had higher (not lower) Payroll Expenses than the stated average.

<u>2023 FPR: ALL FRANCHISED OUTLETS</u>						
<u>Subset</u>	<u>Criteria</u>	<u>High</u>	<u>Low</u>	<u>Median</u>	<u>Average</u>	<u>Number & Percent that Achieved/Surpassed Average</u>
<u>Subset 1</u> <u>Blended - 3 Territory</u> <u>1 Outlet</u> <u>3 Territories</u>	<u>Net Billings</u>	<u>\$1,012,793</u>	<u>\$1,012,793</u>	<u>\$1,012,793</u>	<u>\$1,012,793</u>	<u>1 of 1 (100%)</u>
	<u>Payroll Expenses</u>	<u>\$599,846</u>	<u>\$599,846</u>	<u>\$599,846</u>	<u>\$599,846</u>	<u>1 of 1 (100%)</u>
	<u>Gross Profit</u>	<u>\$412,947</u>	<u>\$412,947</u>	<u>\$412,947</u>	<u>\$412,947</u>	<u>1 of 1 (100%)</u>
	<u>Gross Margin</u>	<u>40.77%</u>	<u>40.77%</u>	<u>40.77%</u>	<u>40.77%</u>	<u>1 of 1 (100%)</u>
<u>Subset 2</u>	<u>Net Billings</u>	<u>\$1,014,768</u>	<u>\$410,845</u>	<u>\$767,117</u>	<u>\$730,910</u>	<u>2 of 3 (66.7%)</u>

<u>2023 FPR: ALL FRANCHISED OUTLETS</u>						
<u>Subset</u>	<u>Criteria</u>	<u>High</u>	<u>Low</u>	<u>Median</u>	<u>Average</u>	<u>Number & Percent that Achieved/Surpassed Average</u>
<u>Blended - 2 Territory</u> <u>3 Outlets</u> <u>6 Territories</u>	<u>Payroll Expenses</u>	<u>\$557,237</u>	<u>\$266,389</u>	<u>\$416,570</u>	<u>\$413,399</u>	<u>2 of 3 (66.7%)</u>
	<u>Gross Profit</u>	<u>\$457,531</u>	<u>\$144,456</u>	<u>\$350,547</u>	<u>\$317,511</u>	<u>2 of 3 (66.7%)</u>
	<u>Gross Margin</u>	<u>45.70%</u>	<u>35.16%</u>	<u>45.09%</u>	<u>41.98%</u>	<u>2 of 3 (66.7%)</u>
<u>Subset 3</u> <u>Non-Blended</u> <u>7 Outlets</u> <u>7 Territories</u>	<u>Net Billings</u>	<u>\$3,648,675</u>	<u>\$176,889</u>	<u>\$2,478,308</u>	<u>\$2,062,931</u>	<u>4 of 7 (57.1%)</u>
	<u>Payroll Expenses</u>	<u>\$2,188,500</u>	<u>\$114,495</u>	<u>\$1,478,226</u>	<u>\$1,247,007</u>	<u>4 of 7 (57.1%)</u>
	<u>Gross Profit</u>	<u>\$1,460,175</u>	<u>\$62,393</u>	<u>\$1,000,081</u>	<u>\$815,924</u>	<u>4 of 7 (57.1%)</u>
	<u>Gross Margin</u>	<u>48.89%</u>	<u>35.27%</u>	<u>40.08%</u>	<u>39.80%</u>	<u>5 of 7 (71.4%)</u>
<u>Subset 4</u> <u>All</u> <u>11 Outlets</u> <u>16 Territories</u>	<u>Net Billings</u>	<u>\$3,648,675</u>	<u>\$176,889</u>	<u>\$1,014,768</u>	<u>\$1,604,185</u>	<u>5 of 11 (45.0%)</u>
	<u>Payroll Expenses</u>	<u>\$2,188,500</u>	<u>\$114,495</u>	<u>\$599,846</u>	<u>\$960,826</u>	<u>5 of 11 (45.0%)</u>
	<u>Gross Profit</u>	<u>\$1,460,175</u>	<u>\$62,393</u>	<u>\$457,531</u>	<u>\$643,359</u>	<u>4 of 11 (36.4%)</u>
	<u>Gross Margin</u>	<u>48.89%</u>	<u>33.82%</u>	<u>40.19%</u>	<u>40.49%</u>	<u>4 of 11 (36.4%)</u>

The following table provides the same historical data as the table above, but is limited to the 7 Qualifying Franchisees that operated a single Qualifying Territory during the Measuring Period. The data is broken down into subsets for the top 3 performers and bottom 3 performers.

<u>2023 FPR: 7 INDIVIDUAL QUALIFYING TERRITORIES</u>						
<u>Subset</u>	<u>Criteria</u>	<u>High</u>	<u>Low</u>	<u>Median</u>	<u>Average</u>	<u>Number & Percent that Achieved/Surpassed Average</u>
<u>Top 3 Outlets</u>	<u>Net Billings</u>	<u>\$3,648,675</u>	<u>\$2,791,828</u>	<u>\$3,349,742</u>	<u>\$3,263,415</u>	<u>2 of 3 (66.7%)</u>
	<u>Payroll Expenses</u>	<u>\$2,188,500</u>	<u>\$1,672,750</u>	<u>\$2,003,505</u>	<u>\$1,954,918</u>	<u>2 of 3 (66.7%)</u>
	<u>Gross Profit</u>	<u>\$1,460,175</u>	<u>\$1,119,078</u>	<u>\$1,346,237</u>	<u>\$1,308,497</u>	<u>2 of 3 (66.7%)</u>
	<u>Gross Margin</u>	<u>40.19%</u>	<u>40.02%</u>	<u>40.08%</u>	<u>40.10%</u>	<u>1 of 3 (33.3%)</u>
<u>Bottom 3 Outlets</u>	<u>Net Billings</u>	<u>\$1,671,605</u>	<u>\$176,889</u>	<u>\$323,468</u>	<u>\$723,987</u>	<u>1 of 3 (33.3%)</u>
	<u>Payroll Expenses</u>	<u>\$1,106,255</u>	<u>\$114,495</u>	<u>\$165,318</u>	<u>\$462,023</u>	<u>1 of 3 (33.3%)</u>
	<u>Gross Profit</u>	<u>\$565,350</u>	<u>\$62,393</u>	<u>\$158,150</u>	<u>\$261,964</u>	<u>1 of 3 (33.3%)</u>
	<u>Gross Margin</u>	<u>48.89%</u>	<u>33.82%</u>	<u>35.27%</u>	<u>39.33%</u>	<u>1 of 3 (33.3%)</u>
<u>All 7 Outlets</u>	<u>Net Billings</u>	<u>\$3,648,675</u>	<u>\$176,889</u>	<u>\$2,478,308</u>	<u>\$2,062,931</u>	<u>4 of 7 (57.1%)</u>
	<u>Payroll Expenses</u>	<u>\$2,188,500</u>	<u>\$114,495</u>	<u>\$1,478,226</u>	<u>\$1,247,007</u>	<u>4 of 7 (57.1%)</u>
	<u>Gross Profit</u>	<u>\$1,460,175</u>	<u>\$62,393</u>	<u>\$1,000,081</u>	<u>\$803,781</u>	<u>4 of 7 (57.1%)</u>
	<u>Gross Margin</u>	<u>48.89%</u>	<u>35.27%</u>	<u>40.08%</u>	<u>40.31%</u>	<u>2 of 7 (28.6%)</u>

Notes:

1. Source of Data: We prepared this FPR based on data reported to us by each of the Qualifying Franchisees. The data has not been audited or independently verified by us.

1.2. Payroll Expenses: Payroll Expenses may be affected by, among other things, your local labor market, the types of services you offer, applicable federal and state laws relating to employment, number of employees and independent contractors, employee/independent contractor turnover, training, your compensation in labor, salary and benefits offered to employees, and scheduling. ~~For payroll expenses, the number of and~~

~~percentage that attained or exceeded the average means that they had higher payroll expenses than the average presented, not lower expenses.~~

~~3. The term “Gross Margin” as used in this Item 19 means the average and median percentage of billing remaining after Payroll Expenses.~~

3. Other Expenses: This FPR does not account for any expenses other than Payroll Expenses. As a franchisee, you will incur expenses, such as bank charges, advertising costs, accounting and management costs, licenses and permits, printing and supplies, training expense, telephone expense, insurance, maintenance and utilities, debt service, taxes, and royalties and other amounts due to us under the Franchise Agreement. You must account for all expenses in order to determine net income or net profit.

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

Additional Notes

~~1. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.~~

~~The financial performance figures do not reflect the full costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.~~

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

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, Executive Home Care Franchising, LLC does not make any financial performance representations. 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 our management by contacting ~~Tim Hadley~~, our ~~Chief Executive Officer~~, Brand President, Kevin Porter, at Executive Home Care Franchising, LLC 8100 E. Indian School Road, Suite 201, Scottsdale, ~~AZ~~Arizona 85251, (855) 393-2372, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-Wide Outlet Summary
For Years 2020 to 2022

<u>TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023</u>				
Column 1 Business/Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020 1	18 16	16 13	-2 3
	2021	16	13	-3
	2022	13	21 18	+8 5
	2023	18	18	0
Company-Owned	2020 1	1	1 0	0 1
	2021	1	0	-1
	2022	0	0	0
	2023	0	0	0
Total Outlets	2020 1	19 17	17 13	-2 4
	2021	17	13	-4
	2022	13	21 18	+8 5
	2023	18	18	0

Table No. 2
Transfers of Outlets From Franchisees To New Owners
(Other Than The Franchisor)
For years 2020 to 2022

<u>TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2021 TO 2023</u>		
Column 1 State	Column 2 Year	Column 3 Number of Transfers
New Jersey	2020 1	0
	2021	0
	2022	1
Total	2020 3	0
<u>Total</u>	2021	0
	2022	1
	2023	0

Table No. 3

**Status of Franchised Outlets
For Years 2020 to 2022**

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

Column-1 State	Column-2 Year	Column-3 Outlets at Start of Year	Column-4 Outlets Opened	Column-5 Terminatio ns <u>Termin- ations</u>	Column-6 Non- Renewals	Column-7 Reacquired by Franchisor	Column-8 Ceased Operations - Other Reasons	Column-9 Outlets at End of the Year
Arizona	2020 1	1	0	0	0	0	0 <u>1</u>	1 <u>0</u>
	2021 2	1 <u>0</u>	0	0	0	0	1 <u>0</u>	0
	2022 3	0	0	0	0	0	0	0
Connecticut	2020 1	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020 3	2 <u>1</u>	0	0	0	0	1 <u>0</u>	1
<u>Florida</u>	2021	1	0	0	0	0	0	1
	2022	1	3	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Michigan	2020 1	1	0	0	0	0	0	1
	2021 2	1	0	0	0	0	0 <u>1</u>	1 <u>0</u>
	2022 3	1 <u>0</u>	0	0	0	0	1 <u>0</u>	0
New Jersey	2020 1	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	5 <u>2</u>	0	0	0	0	1 <u>8</u>
	<u>2023</u>	<u>8</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
New York	2020 1	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020 3	1	0	0 <u>1</u>	0	0	0	1 <u>0</u>
<u>Ohio</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>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Pennsylvania	2020 1	1 <u>2</u>	1 <u>0</u>	0	0	0	0 <u>1</u>	2 <u>1</u>
	2021	2	0	0	0	0	1	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>
Texas	2020 1	1	0	0	0	0	0 <u>1</u>	1 <u>0</u>
	2021	1	0	0	0	0	1	0
	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>
Virginia	2020 1	2 <u>1</u>	0	1 <u>0</u>	0	0	0	1
	2021	1	0	0	0	0	0	1

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

Column-1 State	Column-2 Year	Column-3 Outlets at Start of Year	Column-4 Outlets Opened	Column-5 Terminations as Terminations	Column-6 Non- Renewals	Column-7 Reacquired by Franchisor	Column-8 Ceased Operations - Other Reasons	Column-9 Outlets at End of the Year
	2022	1	1	0	0	0	0	2
Washington	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020-23	182	10	20	0	0	10	162
<u>Total</u>	2021	16	0	0	0	0	3	13
	2022	13	9 <u>6</u>	0	0	0	1	21 <u>18</u>
	<u>2023</u>	<u>18</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>

**Table No. 4
Status of Company-Owned Outlets
For Years 2020 to 2022**

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023

Column-1 State	Column-2 Year	Column-3 Outlets at Start of Year	Column-4 Outlets Opened	Column-5 Outlets Reacquired from Franchisees from Franchisee	Column-6 Outlets Closed	Column-7 Outlets Sold to Franchisees	Column-8 Outlets at End of the Year
New Jersey	2020 <u>1</u>	1	0	0	0 <u>1</u>	0	1 <u>0</u>
	2021 <u>2</u>	1 <u>0</u>	0	0	1 <u>0</u>	0	0
	2022 <u>3</u>	0	0	0	0	0	0
Totals	2020 <u>1</u>	1	0	0	0 <u>1</u>	0	1 <u>0</u>
	2021	1	0	0	1	0	0
	2022	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>

**Table No. 5
Projected Openings as of December 31, 2022**

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023

Column-1 State	Column-2 Franchise Agreements Signed But Outlets Not Opened	Column-3 Projected New Franchised Outlets in the Next Fiscal Year	Column-4 Projected New Company- Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	0	<u>2</u> <u>1</u>	0
Colorado	<u>0</u> <u>1</u>	1	0

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
Florida	0 2	2	0
Georgia	0	1	0
Maryland	0 1	1	0
New Jersey	2 1	0 1	0
Texas North Carolina	0 1	1 2	0
Tennessee Wisconsin	0	1	0
Texas	0	2	0
Total	2 6	12 9	0

Notes:

~~All numbers are as of the fiscal year ending on December 31st for each year.~~

~~Exhibit C lists the names~~ A list of all current franchisees is attached to this Disclosure Document as Exhibit C, including their names and the addresses and telephone numbers of their ~~Franchised Business offices~~ outlets as of December 31, ~~2022~~.

2023. In addition, Exhibit D lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had a franchise an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~If you buy this franchise, your contact information may be disclosed to other buyers.~~

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

~~We do not know of any~~ There are no: (a) trademark-specific franchisee organizations associated with the EXECUTIVE CARE YOUR HOME CARE COMPANY® franchise system. Currently, there are no franchisee organizations being offered that we have created, sponsored or endorsed. However, we reserve the right; or (b) independent franchisee organizations that have asked to ~~do so~~ be included in the future this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B-1 are ~~the:~~ (a) audited consolidated financial statements for EHC Holding Company, LLC, our parent, for the fiscal years ended December 31, 2022, 3 and December 31, 2022; and (b) our audited financial statements for the ~~years~~ fiscal year ended December 31, ~~2020~~-2021.

~~Attached to this Disclosure Document as Exhibit B-2 are internally prepared unaudited interim financial information for EHC Holding Company, LLC, our parent, as of December 31, 2023.~~

Our parent, EHC Holding Company, LLC, has guaranteed our performance with you. A copy of the guaranty of performance is attached as Exhibit B-32. EHC Holding Company, LLC has not been in business for ~~three~~3 or more years and cannot therefore provide all of the financial statements that would otherwise be required in this Item.

Our fiscal year end is December 31 of each year.

ITEM 22 CONTRACTS

The following agreements are attached as Exhibits to this Disclosure Document:

Exhibit A - Franchise Agreement and the following Exhibits:

Exhibit 1 – Approved Territory

Exhibit 2 – Authorization Agreement for Prearranged Payment

Exhibit 3 – Conditional Assignment of Telephone Numbers & Listings & Business Licenses

Exhibit 4 - Collateral Assignment of Lease and Landlord Consent

Exhibit 5 – Nondisclosure and Noncompetition Agreement

Exhibit 6 – Personal Guaranty and Subordination Agreement

Exhibit 7 – Statement of Ownership Interest in Franchisee

Exhibit 8 – SBA Addendum

Exhibit 9 – Waiver of Approved Territory

Exhibit G - Pre-Closing Questionnaire (Questionnaire may not be signed or used if the franchisee resides within, or the franchised business will be located within, a franchise registration state)

Exhibit I – General Release (Renewal, Transfer, Relocation)

Exhibit J – Form of Business Associate Agreement, and

Exhibit K – Form Assignment and Assumption Agreement

ITEM 23 RECEIPTS

Two copies of a detachable receipt in Exhibit M are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address:

Attention: Jason Wiedder

Executive Home Care Franchising, LLC

8100 E. Indian School Road, Suite 201

Scottsdale, AZ 85251

Telephone: (855) 393-2372

Exhibit A
Franchise Agreement and Exhibits

Exhibit B-1
Audited Financial Statements

~~Exhibit~~ EXHIBIT "A"
FRANCHISE AGREEMENT AND EXHIBITS



FRANCHISE AGREEMENT

Table of Contents

1.	PARTIES	1
2.	RECITALS	1
	2.1. Ownership of System.....	1
	2.2. Objectives of Parties	1
3.	DEFINITIONS.....	1
	3.1. Brand Fund	1
	3.2. Approved Services or Services	2
	3.3. Approved Office Location	2
	3.4. Approved Territory	2
	3.5. Designated Manager	2
	3.6. Executive Care or “We”, “Us”, “Our”.....	2
	3.7. Executive Care Business.....	2
	3.8. Franchised Business.....	2
	3.9. Franchise Network	3
	3.10. Good Standing	3
	3.11. Including	3
	3.12. Net Billings.....	3
	3.13. Manual	3
	3.14. Marks	3
	3.15. Reimbursable Expenses	3
	3.16. Related Party.....	4
	3.17. Responsible Owner	4
	3.18. Start Date	4
	3.19. Trade Name.....	4
	3.20. Transfer.....	4
	3.21. You	4
4.	GRANT OF FRANCHISE.....	5
	4.1. Granting Clause	5
	4.2. Approved Office Location	5
	4.3. Approved Territory	5
	4.4. Rights Reserved	6
	4.5. Relocation	7
	4.6. Term and Renewal	7
5.	SERVICES TO FRANCHISEE.....	8
	5.1. Office Layout and Interior Decoration.....	8
	5.2. Training.....	9
	5.3. Advisory Assistance.....	9
	5.4. Manual	10
	5.5. Advertising.....	10
	5.6. Approved Suppliers	10
6.	PAYMENTS BY FRANCHISEE.....	11
	6.1. Initial Franchise Fee.....	11
	6.2. Royalty Fee.....	11
	6.3. Technology Fee.....	11
	6.4. Customer Complaint and Resolutions	11
	6.5. Training Fees and Costs.....	12
	6.6. Consulting Fees and Costs.....	12
	6.7. Method and Application of Payments.....	12
	6.8. When Payments Begin.....	12

6.9.	Audit	12
6.10.	Interest on Late Payments	13
6.11.	Electronic Funds Transfer	13
7.	OBLIGATIONS OF FRANCHISEE	13
7.1.	Use of Trade Name and Marks	13
7.2.	Approved Office Location Site Selection; Computer Requirements and Data Security; Vehicle Requirements	14
7.3.	Quality Control	16
7.4.	Licensing; Management and Personnel; Operational Specifications	20
7.5.	Advertising	22
7.6.	Financial Information	23
7.7.	Insurance	24
7.8.	Financial and Legal Responsibility	25
7.9.	Creative Works	25
8.	RELATIONSHIP OF PARTIES	26
8.1.	Interest in Marks and System	26
8.2.	Independent Status	26
8.3.	Display of Notice	27
8.4.	Confidentiality	27
8.5.	Indemnification	28
8.6.	Covenants	28
9.	TRANSFER OF FRANCHISE	29
9.1.	Purpose of Conditions for Approval of Franchisee	29
9.2.	Notice of Proposed Transfer	30
9.3.	Consent by Executive Care; Right of First Refusal	30
9.4.	Transfer from an Individual Owner to a Corporation, Limited Liability Company or other Entity	31
9.5.	Assignment Upon Death; Disability	31
10.	TERMINATION OF FRANCHISE	32
10.1.	Termination by Consent of the Parties	32
10.2.	Termination by Executive Care	32
10.3.	Rights and Obligations After Termination or Expiration	34
10.4.	No Limitation of Remedies	36
11.	MISCELLANEOUS PROVISIONS	36
11.1.	Construction of Contract	36
11.2.	Governing Law, Venue and Jurisdiction	36
11.3.	Notices	37
11.4.	Amendments	37
11.5.	No Waivers	37
11.6.	Integration	37
11.7.	Dispute Resolution	38
11.8.	Survival	39
11.9.	Franchisee May Not Withhold Payment Due Executive Care	39
11.10.	Waiver of Rights	39
11.11.	Limitation of Action	39
11.12.	Cumulative Rights	40
11.13.	Injunctive Relief	40
11.14.	No Class or Collective Actions	40
11.15.	Post-Term Applicability	40
11.16.	Attorneys' Fees and Costs	41
12.	MISCELLANEOUS	41

12.1.	Approval and Guaranty Provision.....	41
12.2.	Acceptance by Executive Care	41
12.3.	Disclaimer of Representations	41
12.4.	Receipt	42
12.5.	Opportunity for Review by Your Advisors.....	42
12.6.	Execution of Agreement	42
12.7.	Independent Investigation.....	42
12.8.	No Guarantees of Earnings	42
12.9.	No Personal Liability	43
12.10.	Non-uniform Agreements	43

EXHIBITS

- Exhibit 1 – Approved Territory
- Exhibit 2 – Authorization Agreement for Prearranged Payment
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& Business Licenses
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- Exhibit 9 – Waiver of Approved Territory

Executive Care Your Home Care Company®

FRANCHISE AGREEMENT

1. PARTIES

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into on this _____ day of _____, 20____ (the “Effective Date”), by and between Executive Home Care Franchising, LLC, a New Jersey limited liability company with its principal place of business located at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 (“Executive Care”, “Franchisor”, “we”, and/or “us”), and _____ [an individual] [individuals] [a corporation] [a partnership] [a limited liability company], at _____ [or, with its principal place of business located at _____] (collectively, “You” or “Franchisee”).

2. RECITALS

2.1. Ownership of System

Executive Care is the owner or licensee of certain intellectual property rights, trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the “EXECUTIVE CARE YOUR HOME CARE COMPANY®” mark, and the words “Executive Care”. Executive Care has spent a considerable amount of time, effort, and money to construct and continues to develop, use and control business methods, technical knowledge, marketing concepts, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress and uniforms, and employee training techniques that, taken together, make up a proprietary system (the “System”) for the operation of businesses that provide in-home comprehensive care to home care clients, and that market and provide supplemental healthcare staff to institutional clients (each a “Franchised Business”). Franchised Businesses offer all of the following services, subject to applicable law: non-medical companion caregiver in home care services, and supplemental healthcare staffing. Your state regulations may restrict you from offering certain of these services. It is your duty and obligation to determine the restrictions imposed by applicable laws as they relate to your Franchised Business.

2.2. Objectives of Parties

You desire to open and operate a Franchised Business under the System using the Trade Name and Marks (as those terms are defined in Section 3, below), and You wish to obtain from Executive Care, and Executive Care wishes to grant to You, a franchise for that purpose.

3. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

3.1. Approved Services or Services

“Approved Services(s)” or “Service(s)” means the products and services You are required to offer (subject to applicable law) in connection with the operation of the Franchised Business, as designated by Executive Care from time to time in the Manual or otherwise in writing.

3.2. Approved Office Location

“Approved Office Location” means the street address of the physical office location approved in writing by Executive Care for the operation of the Franchised Business which shall be set forth in Exhibit 1 to this Agreement.

3.3. Approved Territory

“Approved Territory” means the area set forth in Exhibit 1 to this Agreement. It may also mean the territory in which another Executive Care Business operates or has the right to operate, including areas that are not served by Executive Care or by an Executive Care franchisee.

3.4. Brand Marketing Fund

“Brand Marketing Fund” or “Brand Fund” means a fund established by Executive Care for purposes of increasing brand awareness and national advertising.

3.5. Claims

“Claims” means all demands or assertions including, without limitation, any obligations, damages (actual, consequential, or otherwise), and costs. For the purposes of the Indemnification requirements in this Agreement, Claims include any costs we and/or any other Indemnified Party reasonably incur in defending any Claim, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

3.6. Designated Manager

“Designated Manager” means the person that (a) You have appointed as general manager of the Franchised Business; (b) has completed our initial training program to our satisfaction; and (c) has been approved by us to serve as your Designated Manager.

3.7. Executive Care or “We”, “Us”, “Our”

“Executive Care” or “we”, “us” or “our”, means Executive Home Care Franchising, LLC, or any person or entity to which Executive Care allocates all or part of its rights and obligations under this Agreement.

3.8. Executive Care Business

“Executive Care Business” means a Franchised Business or any other business that operates pursuant to the System.

3.9. Franchised Business

“Franchised Business” means the business that Executive Care has licensed You to operate in the Approved Territory under the terms and conditions set forth in this Agreement.

3.10. Franchise Network

“Franchise Network” means the network of all Franchised Businesses, Executive Care Business, all System franchisees, Executive Care’s Related Parties, and any other persons or business entities that Executive Care has licensed to use the Trade Name, Marks, System or any of them.

3.11. Good Standing

“Good Standing” means timely compliance by You and Your Related Parties with all provisions of this Agreement and the Manual, specifically including provisions for timely payment of amounts You owe to Executive Care and its Related Parties.

3.12. Including

“Including” means “including, but not limited to,” or “including without limitation.”

3.13. Net Billings

“Net Billings” means the aggregate of all amounts billed on the sales of any and all services and products, and all revenues and other income from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration and whether or not payment is received at the time of sale or any of these amounts prove uncollectible), which arise from or are derived by You or any other person from business conducted by, or which originated from, your Franchised Business, including all proceeds from any business interruption insurance. Net Billings excludes (i) sales tax and other taxes separately stated that You collect from clients and pay directly to taxing authorities; and (ii) Reimbursable Expenses (as defined below). [Net Billings also includes the gross proceeds Executive Care pays to You if You service a National Account that remits payment to Executive Care for Services provided by You.](#)

3.14. Manual

“Manual” or “Operations Manual” means the series of confidential operations manuals relating to the operation of Franchised Businesses that Executive Care lends to you, or authorizes You to use, during the term of this Agreement (collectively, the “Manual”), all of which may be changed by us at any time in the future. The Manual includes both mandatory and recommended specifications and standards relating to use of the Marks, required services, client service techniques, staffing requirements, forms and requirements for the establishment and operation of the Franchised Business, and administration issues and procedures.

3.15. Marks

“Marks” means selected trademarks, service marks, trade dress, logotypes, slogans and other commercial symbols licensed by Executive Care to You under this Agreement, all of which Executive Care may change, modify and/or substitute at any time during the term of this Agreement.

3.16. Reimbursable Expenses

“Reimbursable Expense” or “Reimbursable Expenses” means and includes the total dollar amount of any actual expenditures that You or your caregivers make to purchase products or services from independent

third parties on behalf of Executive Care clients. Reimbursable Expenses includes mileage and funds spent purchasing items for clients and those other types of expenses pre-approved by ExecutiveCare in the Manual.

3.17. Related Party

“Related Party” or “Related Parties” means persons and companies affiliated with us or You, including, but not limited to, owners, general partners, limited partners, shareholders, or members owning an interest in: (i) Executive Care or in You; (ii) corporations, limited liability companies or other business entities in which Executive Care or You have an interest; (iii) corporations, limited liability companies or other business entities in which any person or entity owning an interest in You also has an interest; or (iv) officers, directors, clients or agents of Executive Care or of You.

3.18. Responsible Owner

The “Responsible Owner” must be You if You are an individual or an individual approved by Executive Care who (a) has an ownership interest in You; (b) has the authority to bind You regarding all operational decisions with respect to your Franchised Business; and (c) has completed Executive Care’s training program to Executive Care’s satisfaction. If You are a legal entity and your Designated Manager owns an interest in You, then your Designated Manager and your Responsible Owner may be the same person.

3.19. Trade Name

“Trade Name” means the commercial name “EXECUTIVE CARE YOUR HOME CARE COMPANY®.”

3.20. Transfer

“Transfer” means any direct or indirect transfer, pledge, encumbrance, hypothecation, mortgage, sublicense, transfer through bequest or inheritance, transfer in trust, transfer in divorce, transfer by operation of law or any other means, assignment, sale, gift, or other disposition or change in ownership: (i) of all or any part of the rights and/or obligations of this Agreement, or any rights or privileges incidental to this Agreement; (ii) of the Franchised Business; or (iii) in You. Without limiting the foregoing, if You are a partnership, then one or more transactions (regardless of whether or not they are related) in which there is any change in the rights to Your capital or profits will be considered to be a Transfer; if You are a corporation, limited liability company or other business entity, then one or more transactions (regardless of whether or not they are related) in which there is any change in the economic ownership, control and/or beneficial ownership in You or of Your stock or membership interests, as applicable, will be considered to be a Transfer.

3.21. You

“You” means the person or entity that is named as “You” in Section 1 of this Agreement. If “You” are a business entity, “You” means all parties listed on Exhibit 6. “You” means all persons or entities that succeed to Your interest by Transfer, other transfer, or by operation of law.

NOW, THEREFORE, the parties agree as follows:

4. GRANT OF FRANCHISE

4.1. Granting Clause

Executive Care grants to You the right, and You hereby undertake the obligation, upon the terms and conditions set forth in this Agreement to: (a) establish and operate a single Franchised Business within the Approved Territory from the Approved Office Location that includes the provision of such Services as designated by Executive Care; and (b) use solely in connection therewith the Trade Name, Marks and System as they may be changed, improved, and further developed from time to time. You must devote your full time and best efforts to the operation of the Franchised Business.

4.2. Approved Office Location

You are responsible for purchasing or leasing the Approved Office Location for the Franchised Business, which location must be approved by Executive Care and located within the Approved Territory. You may not establish Your Franchised Business at any site other than the Approved Office Location or engage in business activities anywhere outside of the Approved Territory, except as described below. You may not establish any other business at the Approved Office Location. You may not offer any services or products to persons outside the Approved Territory or sell any services or products outside the Approved Territory without our prior written consent.

4.3. Approved Territory

4.3.1 Subject to applicable law, You must operate the Franchised Business, offering all services and products designated by Executive Care, and only those services and products designated by Executive Care, solely within the Approved Territory. You must not conduct any business, including the offering or performance of any service, outside of the Approved Territory without obtaining our prior written approval. You may not advertise or otherwise offer or provide any products or services outside of the Approved Territory, without first obtaining our prior written consent. You may not solicit clients, or potential referral sources outside the Approved Territory without our prior written consent. We may designate referral sources in the Approved Territory or in another Executive Care franchisee's approved territory to be "non-exclusive," if the referral source regularly provides services to clients in the Approved Territory or in another franchisee's approved territory. You or other franchisees may solicit business from non-exclusive referral sources, provided that you meet all of Executive Care's requirements for such solicitation.

If an area that is contiguous to the Approved Territory has not been granted to another Executive Care franchisee, or if it is not regularly serviced by us or one of our Related Parties, we may authorize You to solicit business from referral sources there and we may authorize You to provide services to clients there, subject to such conditions as we may impose in our sole discretion. Those conditions may include: (i) a restriction on solicitations circulating in other franchisees' approved territories; (ii) your achievement of certain performance thresholds in the Approved Territory; (iii) a limitation providing that our consent will immediately terminate if the area in which you are soliciting or servicing clients is granted to another Executive Care franchisee, or is served by us or one of our affiliates, in which case we may require you to provide all client information to that franchisee or the executive in charge of our or our affiliate's operation in the area, to introduce that franchisee or our or our affiliate's executive in charge of the area to the referral sources from which you have derived referrals, and aid in the transition of the referral source and client services to the other franchisee or to our or our affiliate's executive in charge of the area. We reserve the right to permit you to service clients outside the Approved Territory, even if we subsequently license the area in which the client is located to another System franchisee or licensee. Similarly, we reserve the right to permit other Executive Care franchisees, ourselves, or our affiliate's executive in charge of the area, to service clients located in the Approved Territory if: (i) the other franchisee or licensee, or we or our affiliate,

previously serviced the client, (ii) you do not have the applicable licenses or certification required by applicable law to service the client, or (iii) at the client's request.

4.3.2 Except as otherwise provided in this Agreement, during the term of this Agreement, Executive Care agrees that it shall not establish, nor license any other person to establish, the physical location of another Franchised Business within the Approved Territory.

4.4. Rights Reserved

4.4.1 We and our Related Parties retain all rights that are not expressly granted to You under this Agreement. Specifically, we and our Related Parties reserve the right to:

(a) advertise, market and promote the Marks, System and the services offered under the System and Marks on the Internet and inside and outside the Approved Territory;

(b) establish, own, or operate, and grant others the right to establish, own or operate Franchised Businesses or other businesses offering the same or similar services as those offered through the Franchised Business under the Marks anywhere outside the Approved Territory;

(c) establish, own or operate, and grant others the right to establish, own or operate a business offering the same or similar services as those offered through the Franchised Business, or different services under different trademarks (other than the Marks) inside and outside the Approved Territory;

(d) offer, sell, operate, distribute and/or license others to sell, operate and distribute, through franchised or non-franchised businesses, at wholesale or retail, or through alternative channels of distribution (including the Internet), branded goods under the Marks or any other trademarks inside and outside the Approved Territory;

(e) provide services to, or grant others the right to provide services to, National Accounts (as defined below) located inside and outside the Approved Territory; and/or

(f) merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services the same as, similar to, or different from those offered by your Franchised Business under the Marks or any other trademarks inside or outside the Approved Territory

4.4.2 National Accounts. We and our Related Parties reserve the right to directly, or indirectly through Executive Care, its Related Parties and/or licensees (including Executive Care franchisees), solicit, offer and provide services to National Accounts, both inside and outside the Approved Territory. The term "National Accounts" means businesses that Executive Care designates, including hospitals, nursing homes, assisted living centers and other businesses that own, manage, control, service or otherwise operate from locations in, or that service clients in more than one Executive Care franchisee's approved territory or geographic location. You are prohibited from contracting with National Accounts unless you obtain our prior written consent. We and/or our designees have the exclusive right to negotiate and enter into agreements with, or to approve forms of agreements for providing supplemental healthcare staff to "National Accounts," including National Accounts with locations in the Approved Territory. If a National Account requests services inside the Approved Territory, we will offer to You the right to provide the services on the same terms and conditions as are in the contract we negotiate with the National Account. We will not be required to offer You the right to provide services to a National Account if: (i) You are in default of this Agreement or any other agreement between You and us; (ii) in our business judgment, we do not believe that You are able to provide the requested services to the National Account; (iii) You fail to accept the National Account business within the timeframe outlined in the National Account offer or agreement; or (v) the National Account objects

to You providing the service. If we do not offer the National Account business to You then, we may: (i) provide the services required by the National Account inside the Approved Territory, or (ii) contract with a third party, which may be our affiliate, another Executive Care franchisee or an unrelated third party to provide the services required by the National Account inside the Approved Territory. We are not required to pay You any consideration or compensation if we, our affiliate or a third party provide services to a National Account inside the Approved Territory. If You provide the services in accordance with the contract between us and the National Account, we will pay You as detailed in the Manual. If a National Account contacts You directly, you must refer the National Account to us. We have the right, but not the obligation to, negotiate all contracts with National Accounts and You will not have any right to negotiate any contract or to provide services to the National Account without express written consent.

4.5. Relocation

You may not, without first obtaining Executive Care's prior written authorization, relocate the Approved Office Location. Executive Care may condition its consent on your satisfaction of the following conditions:

(a) You and Your Related Parties are in Good Standing under this Agreement, and any other Agreement with Executive Care or Executive Care's Related Parties;

(b) You agree to equip and furnish Your new office for the Franchised Business so that it meets the standards of appearance and function applicable to new Franchised Businesses at the time of relocation;

(c) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Executive Care, of any and all Claims against Executive Care and its Related Parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, Claims arising under this Agreement, any other agreement between You and Executive Care or its affiliates, and federal, state, and local laws and rules; and

(d) You may not cease to operate the Franchised Business, but You may close the office for no more than three (3) days only for the purposes of moving equipment and fixtures from the old Approved Office Location to the new Approved Office Location.

4.6. Term and Renewal

4.6.1 Initial Term

Except as otherwise provided herein, the initial term of this Agreement will expire at the date that is ten (10) years from the Effective Date of this Agreement.

4.6.2 Successor Franchise Agreement

You shall have the option to renew the franchise relationship for two (2) additional terms of five (5) years, subject to the following conditions, all of which must be met before renewal:

(a) You and Your Related Parties are in Good Standing under this Agreement, and any other Agreement with Executive Care or Executive Care's Related Parties;

(b) You shall give Executive Care written notice of Your election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term;

(c) You and any Related Parties that have signed this Agreement must sign Executive Care's then-current form of franchise agreement, which agreement may differ materially from the terms of this Agreement; provided that the agreement may be modified to reflect that there will be no additional renewal rights. [Executive Care reserves the right to modify the boundaries of Your Territory in accordance with its then-current territory guidelines and criteria.](#) The successor franchise agreement must be signed at least thirty (30) days before the expiration of this Agreement, or thirty (30) days after You receive a signature-ready copy of the successor franchise agreement from Executive Care, whichever is later;

(d) You shall have paid us a successor franchise fee equal to 25% of our then-current initial franchise fee;

(e) You shall have, before the beginning of the renewal term, at Your own expense, remodeled the interior and exterior of the office of the Franchised Business, replaced and modernized the décor, equipment and signs used in the Franchised Business as Executive Care may require in its sole discretion, in order for the office and Franchised Business to meet the then-current standards of appearance and function at the time of renewal; and

(f) You and Your Related Parties that are parties to this Agreement shall have executed a general release, in a form satisfactory to Executive Care, of any and all Claims against Executive Care and its Related Parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, Claims arising under this Agreement, any other agreement between You and Executive Care or its affiliates, and federal, state, and local laws and rules.

5. SERVICES TO FRANCHISEE

Executive Care agrees to provide the following services to You provided that You are, at the time when service is to be rendered, in Good Standing under this Agreement, any other agreement with Executive Care or Executive Care's Related Parties.

5.1. Office Layout and Interior Decoration

5.1.1 Executive Care will make available prototype or sample plans and specifications for a proto-typical Franchised Business office to guide You in furnishing and equipping the office for Your Franchised Business. You shall, at Your own expense, hire an approved architect to tailor the plans and specifications provided by Executive Care for Your individual use and then submit the customized plans and specifications to Executive Care for written approval, which will not be unreasonably withheld.

5.1.2 Executive Care's approval shall be limited to conformance with the Franchised Business prototype and sample plans and shall not relate to Franchisee's obligations with respect to any federal, state and local laws, codes and regulations including the applicable provisions of the Americans with Disabilities Act (the "ADA") regarding the construction, design and operation of the Franchised Business' office, which subjects shall be Your sole responsibility.

5.1.3 You shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the office for your Franchised Business and the Franchised Business itself. You are responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Your location. After having obtained such approvals and clearances, You shall obtain all permits and certifications required for the lawful construction and operation of the Franchised Business.

5.2. Training

5.2.1 Initial Training

Before the opening of Your Franchised Business, Executive Care will conduct an initial training program concerning the operation of the Franchised Business under the Executive Care System for your Initial Training Team, at no additional charge. Additional persons may attend initial training for a fee of five hundred dollars (\$500) each. Your “Initial Training Team” must consist of you (if You are an individual) or your Responsible Owner (if You are a legal entity), and your Designated Manager. Your Initial Training Team must attend and complete the initial training program at the times designated by Executive Care. You may not commence operations or open your Franchised Business until your Initial Training Team completes the initial training to our satisfaction. Initial training may be held at a location we designate, or in the medium that we designate, which may be in print, over the phone, by video, or via webinar or otherwise online.

5.2.2 Additional Training & Education

Shortly after the opening of Your Franchised Business, Executive Care will provide additional training concerning operations and sales. This training may be held at a location we designate, or in the medium that we designate, which may be in print, over the phone, by video, or via webinar or otherwise online.

Executive Care may offer additional training and/or education programs on matters related to the operation or promotion of the Franchised Business on an optional or mandatory basis, as it deems appropriate. You will be required to pay Executive Care or its designee an Additional Training Fee \$750 per day, plus all travel and lodging expenses incurred by Executive Care in providing any such additional training. If the additional training is conducted at Executive Care’s headquarters or at a location other than your Approved Office Location, You shall be responsible for Your own expenses and those of Your employees who attend any such training or education programs, including all travel and accommodation costs and expenses, meals and wages.

5.2.3 Mandatory Conferences

Executive Care may require you (or your Responsible Owner or General Manager) to attend our Mandatory Conference, which generally will be held annually. You shall attend all such conferences and pay to Executive Care or its designee, a Mandatory Conference Attendance Fee in the amount designated by Executive Care, which amount shall not exceed \$2,000 per conference. You will also be responsible for all of your travel and living expenses related to Your attendance at the conference.

5.3. Advisory Assistance

Executive Care will, as it deems advisable in its sole and absolute discretion, provide advisory assistance to You concerning the operation and promotion of the Franchised Business. If You request additional assistance, You must pay Executive Care’s then-current consulting fee.

5.4. Manual

Executive Care will lend You a copy of, or provide You with access to, the Manuals. Executive Care may revise the Manuals during the term of this Agreement. Changes to the Manuals may be made at any time, including as new products and services are developed, and to conform to the changing needs of the Franchise Network. Executive Care will notify You of changes to the Manuals in writing. In lieu of a “hard copy” of the Manuals, Executive Care may make available to You any Manual in electronic form at its discretion. Executive Care will notify You via email of any updates to any of the Manuals. You shall be responsible for immediately

downloading and complying with the revised Manuals.

5.5. Advertising

Executive Care may, but is not required to, provide You with electronic access to certain advertising materials. These materials may, but are not required to, include video and audiotapes, copy-ready print advertising materials, posters, banners and miscellaneous point-of-sale items. Executive Care reserves the right to change the format in which we provide these advertising materials to You in the future.

5.6. Approved Suppliers

5.6.1 Executive Care has the absolute right to limit the suppliers with whom You may deal. Executive Care has the right to require You to purchase any and all items, products, services, signs, furnishings, supplies, fixtures and equipment from Executive Care, Executive Care's Related Parties, and/or distributors or suppliers Executive Care has approved or designated (each a "Supplier", collectively, "Suppliers" or "Designated Suppliers"). You shall purchase all goods, items, products and services Executive Care specifies from Designated Suppliers. Executive Care has the right to designate one supplier for any given item, product, good or service. Executive Care will provide You with a list of Suppliers, which list may change over time. While the Suppliers included on this list are currently mandated, approved and/or recommended, Executive Care reserves the right to change this list from time to time. Notifications of changes to the Suppliers list will be communicated to You through changes to the Manual or other written communications, including via electronic mail. Approval of Suppliers may be revoked upon written notice. Executive Care has the right to become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time.

5.6.2 Executive Care and/or its Related Parties, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from Executive Care, its Related Parties and/or any supplier, including Designated Suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of System franchisee purchases (including your purchases). Executive Care and/or its Related Parties may use these benefits for any purpose without restriction. Executive Care is not obligated to remit any benefits to You and reserves the right to retain all such benefits.

5.6.3 In advising You of suppliers who meet its standards and specifications, Executive Care expressly disclaims any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. You agree to look solely to the manufacturer or the supplier of equipment or services for the remedy for any defect in the goods or services. Executive Care reserves the right to change the list of approved suppliers from time to time.

5.6.4 You acknowledge and agree that Executive Care shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "Allowances") offered by suppliers to You or to Executive Care or its affiliates based upon Your purchases of Approved Services, Services and other goods and services. You assign to Executive Care or its designee all of Your right, title, and interest, in and to, any and all such Allowances and authorize Executive Care or its designee to collect and retain any and all such Allowances without restriction (unless otherwise instructed by the supplier).

5.6.5 Executive Care may, at any time, revoke its approval of particular items, products, Services and/or suppliers as determined by Executive Care. Immediately upon receipt of notice of such revocation, You shall immediately cease or use, or order, or offer, any disapproved item, Service, and/or product from any disapproved supplier.

6. PAYMENTS BY FRANCHISEE

6.1. Initial Franchise Fee

When You sign this Agreement, You shall pay Executive Care in cash or another form of payment that will make the funds immediately accessible to Executive Care, such as cashier's check or wire transfer, an initial franchise fee of forty-nine thousand nine hundred dollars (\$49,900) (the "Initial Franchise Fee"). The Initial Franchise Fee is not refundable. If you qualify for our Veterans Discount, your initial franchise fee will be discounted by 10%. If you qualify for our Diversity Discount, your initial franchise fee will be discounted by 5%. If you qualify for our Multi-Unit Discount, you pay our standard initial franchise fee for your first (1st) Franchised Business and you receive a \$10,000 discount on your second (2nd) Franchised Business and a \$15,000 discount on each additional Franchised Business you purchase (all purchases must be made at the same time). The Veterans Discount and Diversity Discount may not be combined. All initial franchise fees are payable to us and are non-refundable.

~~If you are a qualifying veteran or member of the U.S. armed forces, the initial franchise fee for your first Franchise will be 10% less or \$44,550 for the first Franchise Agreement, \$35,550 for the second Franchise Agreement and \$31,050 for the third. To qualify, you must be a veteran who has received an honorable discharge from the U.S. Military, and you must give us a copy of your Form DD 214 showing your status as a veteran. If you are self-identify as Black, Asian, Hispanic, Native American or otherwise belonging to a racial or ethnic minority group the initial franchise fee will be 5% less for the first franchise purchased to eligible first-time buyers. These discounts may not be combined.~~

Optional Fee Structure

~~For single-unit purchases only, you may elect to pay will pay a \$20,000 initial franchise fee but pay an increased monthly royalty fee of 6% of Net Billings for the entirety of the Initial Term of the Franchise Agreement, and another in which you will pay no initial franchise fee but pay an increased monthly royalty fee of 7% of Net Billings for the entirety of the Initial Term of the Franchise Agreement. If you elect either of these two optional fee structures, you can pay the balance of the \$49,900 (i.e. pay the \$29,900 or \$49,900 difference between what you paid and the \$49,900 initial franchise fee) at any time and revert to the standard 5% monthly royalty rate.~~

Election

Franchisee Election		Single Unit Initial Fee Option	Monthly Royalty Rate
<input type="checkbox"/>	Initial	\$49,900	5% of Net Billings
<input type="checkbox"/>	Initial	\$20,000	6% of Net Billings
<input type="checkbox"/>	Initial	\$0	7% of Net Billings

~~All initial franchise fees are payable to us and are non-refundable.~~

6.2. Royalty Fee.

Subject to your election in Section 6.1 above, You shall pay Executive Care a continuing monthly royalty fee equal to the greater of (i) the percentage royalty rate elected in Section 6.1 above of Net Billings; or (ii) the required minimum royalty ("Minimum Royalty"). The Minimum Royalty is \$500 each month in your first 12 months of operation, \$1,000 each month in your second 12 months of operation, \$1,500 each month in your third 12-months of operations and \$2,000 each month thereafter. Monthly royalty payments shall be due on the fifth day of each calendar month for the preceding calendar month. Royalties shall be payable in the form and manner designated by Executive Care. Currently, all payments are to be made via electronic funds transfer ("EFT").

6.3. Technology Fee

~~You shall pay to Executive Care a monthly Technology Fee for use of Executive Care's technology, client billing services, payroll processing services and other supplemental services at Executive Care's option, equal to the greater of: (a) the fee (or aggregate fees) any vendor charges us for your technology services; or (b) \$200 per month (the "Technology Fee"). We reserve the right to require You to purchase technology services, client billing services and/or payroll processing services directly from a designated third party supplier at any time in the future by providing written notice to you, in which case, You will pay any fees required by such service provider(s) directly to the provider, unless we specify otherwise, and enter into any agreement required by such service provider.~~

You shall pay to Executive Care a monthly Technology Fee for the use of any technology, software, or related services that Executive Care provides to you. The amount of the Technology Fee is currently \$200 per month and covers the costs associated with Executive Care's website and providing email accounts to You. Executive Care and/or its affiliates may develop proprietary software, technology or other components of our designated technology systems that will become part of the System. If this occurs, You agree to: (i) pay Executive Care (or its affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, enter into a license agreement with Executive Care (or its affiliate), in a form prescribed by Executive Care, governing Your use of the proprietary software, technology or other component of the technology systems. Executive Care may enter into master agreements with third-party suppliers relating to any components of the technology systems and charge you for all amounts Executive Care pays to these suppliers based on your use of their software, technology, equipment, or services. The Technology Fee includes all amounts You pay to Executive Care and/or its affiliates relating to the technology Systems, including amounts paid for proprietary items and amounts Executive Care collects from You and remits to third-party suppliers based on Your use of their systems, software, technology or services. The amount of the Technology Fee may change based on changes to the technology systems, services provided, or prices charged by third-party suppliers with whom Executive Care enter into master agreements. Executive Care may include within the Technology Fee a commercially reasonable administrative fee to compensate Executive Care for the time, money and resources it invests in administering the technology platform and associated components, negotiating and managing contracts with third-party licensors, and collecting and remitting technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The Technology Fee does not include any amounts You pay directly to third-party suppliers. The technology fee is due on each royalty payment due date or as otherwise specified by Executive Care. The current Technology Fee may be listed in the Manual. At any time, Executive Care reserves the right to require You to purchase technology, software or related services directly from designated third-party suppliers, rather than from Executive Care, in which case You will pay any fees required by such service provider(s) directly to the provider, unless Executive Care specifies otherwise, and enter into any agreement required by such service provider.

6.4. Customer Complaints and Resolutions

If Executive Care receives and responds to complaints from clients serviced by Your Franchised Business, Executive Care may charge up to one hundred fifty percent (150%) of its total costs of responding to any such complaint, including any and all legal fees it incurs (“Client Service Fee”).

6.5. Training Fees and Costs

We will not charge a fee for the initial training program for Your Initial Training Team (which consists of two (2) persons). However, if additional persons are trained during the Initial Training program, we may charge a training fee of five hundred dollars (\$500) per person.

6.6. Consulting Fees and Costs

Optional consulting services may be made available to You by Executive Care on a per hour fee basis at a rate determined by Executive Care, plus reimbursement of direct costs. You shall promptly pay such consulting fees and reimburse Executive Care for all incidental expenses incurred by Executive Care in rendering such consulting services, including, but not limited to, the cost of business class transportation, lodging, meals, and telephone, fax, and courier charges.

6.7. Call Center Fees

We reserve the right to implement a central telephone service/call center which you must participate in and contribute to at a rate determined by Executive Care.

6.8. Method and Application of Payments

Executive Care has the right to apply any payment it receives from You to any past due amount You owe to Executive Care or Executive Care’s Related Parties regardless of how You indicate the payment is to be applied.

To maintain records consistent with other Franchised Businesses, You agree to use the commercial scheduling, billing, payroll, and other computer programs we designate. Further, You shall instruct the suppliers to allow Executive Care to access and review all books and electronic records relating to Your Franchised Business.

6.9. When Payments Begin

Unless stated otherwise, Your obligation to pay continuing monthly royalties, advertising fees, and other fees begins on the day Your Franchised Business begins operation. If the date Your Franchised Business is on any day other than the first day of a month, the Minimum Royalty and advertising fees will be prorated based on the number of days from the opening to the last day of the first month under this Agreement.

6.10. Audit

Executive Care or its designee has the right during normal working hours to audit Your books and records, including Your tax returns, with respect to the Franchised Business. If an audit discloses an underpayment of royalties or fees payable under this Agreement, You shall immediately pay these amounts to Executive Care together with accrued interest on the amount underpaid in accordance with Section 6.11 of this Agreement. In addition, if the audit reveals intentional underreporting, or if the underpayment exceeds two percent (2%) of the total royalty and/or other fees payable for any period covered under the audit, or if the audit is conducted following Your failure to submit reports or records as required by this Agreement, You shall reimburse Executive Care for all expenses actually incurred by Executive Care in connection with the audit, including reasonable attorneys’ and accounting fees.

6.11. Interest on Late Payments

Any payment not received by Executive Care when due will bear interest at eighteen percent (18%) per year or at the highest rate allowed by applicable law on the date when payment is due, whichever is less. The fact that such charges are imposed shall not be construed as a waiver of Executive Care's right to timely payment.

6.12. Electronic Funds Transfer

When You sign this Franchise Agreement, You shall also sign an Authorization Agreement for Prearranged Payment, in the form of Exhibit 2 to this Agreement or any other form specified by Executive Care, to enable Executive Care to collect royalty, advertising, and all other amounts due to Executive Care from You by electronic funds transfer. You agree to instruct any applicable bank or commercial billing service to credit to a bank account of Executive Care the applicable royalty and advertising fee amount, and all other amounts due, in full; all credits to Executive Care are to be credited to Executive Care when due. At no time will You sell or assign any current or future accounts receivable to any other party, without the prior written consent of Executive Care.

6.13. Insufficient Funds.

Executive Care may charge You fifty dollars (\$50) for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

6.14. Noncompliance Fees and Reimbursements.

You acknowledge the importance of every one of Executive Care's standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If Executive Care notifies You of a breach of its standards or operating procedures (including failure to submit required reports in a timely manner) and You fail to correct the noncompliance within the period of time Executive Care prescribes, then, in addition to any other remedies available under this Agreement, Executive Care may impose a noncompliance fee of \$250 per occurrence. Executive Care may impose an additional \$250 fee every week the same noncompliance issue remains uncured after it imposes the initial fee. Any noncompliance fees Executive Care collects are paid in consideration of Executive Care refraining from exercising its contractual right to terminate this Agreement. This fee also constitutes a reasonable estimate of Executive Care's internal cost of personnel time attributable to addressing the non-compliance and is not a penalty or estimate of all damages arising from Your breach. If Executive Care takes steps to cure a default committed by You after the expiration of any applicable cure period, including, without limitation, obtaining required insurance coverage on Your behalf or paying amounts You owe to approved or designated suppliers, then You must (a) reimburse Executive Care for all costs and expenses it directly or indirectly incurs in connection with its efforts to cure the default and (b) pay Executive Care an administrative fee calculated as 20% of the total amount of such costs and expenses. Executive Care's acceptance of noncompliance fees and default expense reimbursements shall not be construed as a waiver of any of its rights or remedies under this Agreement and Executive Care retains the right to terminate this Agreement in accordance with Section 10 should the default continue after Executive Care collects these amounts. All fees and expense reimbursements set forth in this Section are due 15 days after invoicing, except Executive Care may automatically debit Your bank account for the \$250 non-compliance fee as of the expiration of the cure period for the associated default, and each thereafter until fully cured.

6.15. CPI Adjustments

Executive Care reserves the right to periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index in the United States (CPI). Executive

Care may periodically review and increase these fees based on CPI changes, but only if the then-current CPI (“Current CPI”) is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustment); or (b) the date Executive Care implemented the last fee adjustment (for subsequent fee adjustments) (“Baseline CPI”). The adjusted fee shall be calculated by multiplying the current fee by a fraction: (a) the numerator of which is an amount calculated as the product of (i) 100 and (ii) the difference of Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. Executive Care may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that Executive Care deems appropriate. Franchisor currently uses the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), “All Items”. Executive Care will notify You of any CPI adjustment at least 60 days before the fee adjustment becomes effective. Executive Care may implement no more than one (1) fee adjustment during any five (5) year period. If Executive Care declines to exercise its right to increase the fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment.

7. OBLIGATIONS OF FRANCHISEE

7.1. Use of Trade Name and Marks

7.1.1 Permitted Use

You may use the Trade Name and Marks only in the operation of the Franchised Business. You may not use the Marks or the words “Executive Care” or “Your Home Care Company” as part of your legal entity name. You may not license any third party to use the Executive Care Trade Name and Marks. You may not use the Trade Name or Marks on the internet, in any electronic advertising or social media, including but not limited to on Facebook®, Twitter®, YouTube®, or other similar electronic advertising or social media without our prior written consent. You may not use any other trade name or marks at the Approved Office Location, or in connection with the Franchised Business without the express written consent and direction of Executive Care. You shall refrain from engaging in any action (or failing to take any action) that causes or could cause damage to the Marks, the System, or the goodwill associated with the Marks.

7.1.2 Changes in Trade Name and Marks

Executive Care has invested substantial time, energy, and money in the promotion and protection of its Trade Name and other Marks as they exist on the date of this Agreement. However, You and Executive Care recognize that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend and that changes in the cultural and economic environment within which the System operates or third-party challenges to Executive Care’s rights in the Marks may make changes in the Trade Name and Marks desirable or necessary in its sole and absolute discretion. Executive Care therefore reserves the right to change its Trade Name and Marks (although it has no present intention to do so) and the specifications for each at any time in the future. You agree that You shall promptly conform, at Your own expense, to any such changes.

7.1.3 Advertising Materials

You shall submit to Executive Care copies of all advertising materials that You propose to use at least two (2) weeks before the first time they are broadcast or published. Executive Care will review the materials within a reasonable time and will promptly notify You in writing as to whether it approves or rejects them. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if Executive Care approves specified materials, it may later withdraw its approval in its sole and absolute discretion.

7.1.4 Legal Protection

You agree to notify Executive Care immediately in writing if You become aware of any unauthorized use of Executive Care's Trade Name, Marks, or System. You shall promptly notify ExecutiveCare in writing of any Claim, demand, or suit against You or against Your principals in connection with Your use of the Trade Name, Marks, or System. In any action or proceeding arising from or in connection with any such Claim, demand, or suit, You agree that Executive Care may select legal counsel and has the right to control the proceedings. In certain cases, as described in Section 8.5 of this agreement, ExecutiveCare will indemnify and hold You harmless.

7.2. Approved Office Location Site Selection; Computer Requirements; ~~Vehicle Requirements~~

7.2.1 You shall, on Your own initiative and at Your own expense, locate, obtain and occupy the site for the Franchised Business' office. Executive Care's prior approval of the proposed site, which may not be unreasonably withheld, shall be obtained in writing. The site shall be a minimum of 800 square feet and shall meet minimum demographic/geographic requirements, as described in the Manual, which vary by region. To seek Executive Care's approval, You shall advise Executive Care in writing of the proposed site. We will approve or disapprove Your site within thirty (30) days after we receive notice of the proposed location from You, and a copy of the proposed lease agreement. It is Your responsibility to secure a site. Executive Care will not refund the Initial Franchise Fee if You are unable to secure a satisfactory site. By approving a particular site for the Franchised Business, Executive Care does not represent or guarantee that the Franchised Business will be successful.

7.2.2 You shall purchase and maintain a computer system, as designated by Executive Care, ("Computer System") to be used in the operation of the Franchised Business and for reporting purposes. You shall comply with the following provisions relating to the Computer System:

(a) You shall update and upgrade the Computer System as designated by Executive Care. Executive Care may require You to enter into a separate maintenance and/or support agreement for your Computer System at any time, at your sole cost and expense.

(b) You shall record all sales at or from the Franchised Business at the time of sale, in accordance with Executive Care's procedures and in the Computer System.

(c) You shall comply with such requirements determined by Executive Care from time to time regarding maintenance, training, storage and safeguarding of data, records, reports and other matters relative to the Computer System.

(d) Executive Care has the right to independently access any and all information on your Computer System at any time, without first notifying you. You are responsible for obtaining any and all client consents needed to provide Executive Care with the right to independently access your Computer System. Without limiting the generality of the foregoing, You shall, at your sole cost and expense permit Executive Care immediate access to your Computer System, electronically or otherwise, at all times without prior notice to you. Executive Care shall have the right to use the information accessed on the Computer System in any manner Executive Care determines, including the right to use any and all such information in Executive Care's Franchise Disclosure Document, and to share financial statements, including profit and loss statements, with other System franchisees.

EXECUTIVE CARE AND ITS AFFILIATES MAKE NO WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH REGARD TO THE COMPUTER SYSTEM OR ANY THIRD-PARTY MATERIALS. EXECUTIVE CARE AND ITS AFFILIATES DISCLAIM ANY AND ALL WARRANTIES RELATED TO THE COMPUTER SYSTEM, WHETHER EXPRESS OR IMPLIED,

WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, INTEROPERABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, QUIET ENJOYMENT, OR THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING. EXECUTIVE CARE AND ITS AFFILIATES DO NOT WARRANT THAT THE COMPUTER SYSTEM WILL BE FREE FROM DEFECTS OR THAT USE OF THE COMPUTER SYSTEM WILL BE UNINTERRUPTED OR ERROR FREE.

IN NO EVENT WILL EXECUTIVE CARE OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES ASSOCIATED WITH LOSS OF USE, INTERRUPTION OF BUSINESS, LOSS OF DATA OR LOSS OF PROFITS) ARISING OUT OF OR IN ANY WAY RELATED TO THE POS SYSTEM OR ITS USE.

(e) You shall use your best efforts to protect your clients against any and all data breaches and cyber-events, including, without limitation, identity theft or theft of personal information (a "Data Security Breach"). If a Data Security Breach occurs, in the interest of protecting the goodwill associated with the *Executive Care Your Home Care Company*[®] brand and franchise system, Executive Care hereby reserves the right to (but does not undertake the obligation to) directly or through its designee, perform or control any and all aspects of the response to such Data Security Breach, including, without limitation, the investigation, containment and resolution of the event and all communications with the franchise system, vendors and suppliers, clients, law enforcement agencies, regulatory authorities and the general public. You hereby acknowledge and agree that neither Executive Care, nor any of its parents, affiliates, subsidiaries, owners, officers, directors or employees shall be liable to You for any damages arising out of or resulting from any Data Security Breach or any action or inaction in response to a Data Security Breach. You shall at all times be compliant with all Payment Card Industry Data Security Standards, any and all requirements imposed by all applicable payment processors and payment networks, including credit card and debit card processors, and any and all state and federal laws, rules and regulations relating to data privacy, data security and security breaches. You hereby acknowledge and agree that if Executive Care engages or designates a third-party service provider to administer a data security program, You will be required to comply with the requirements of such service provider. It is your responsibility to ensure that You operate the Franchised Business at all times in compliance with all applicable laws, rules, regulations and requirements and You are strongly encouraged to engage legal and data security professionals, including health care lawyers and insurance providers, to ensure your full compliance and adequate protection.

~~7.2.3 — If you choose to purchase or lease a sports utility vehicle (SUV) or minivan for use in connection with the operation of the Franchised Business, that vehicle must meet Executive Care's standards and specifications (the "Executive Care Vehicle"). You may convert a vehicle You currently lease or own for use as the Executive Care Vehicle if such vehicle meets Executive Care's standards and specifications.~~

7.3. Quality Control

7.3.1 Opening

You shall establish the Franchised Business and have it open and in operation no later than 120-days after the Effective Date of this Agreement. Time is of the essence. Before You open for business, Executive Care will inspect Your office. You may not open the Franchised Business to the public until: (i) You have completed our initial training program and all in-home care training mandated by Executive Care to our satisfaction, (ii) You have built out (if applicable) and equipped your Franchised Business in compliance the Franchise Agreement and the Manual, (iii) You have the proper personnel in place to operate the Franchised Business, (iv) You have received all permits, licenses, and authorizations necessary for You to be operating your Franchised Business, and (v) Executive Care provides written consent to the opening of your

Franchised Business. Opening without Executive Care's written consent is a material breach of this Agreement and constitutes infringement of Executive Care's intellectual propertyrights, justifying injunctive relief and termination of this Agreement. By providing its consent to the opening of Your Franchised Business, Executive Care does not guarantee that the Franchised Business willbe successful. Your success will depend on a number of factors, including general economic conditions and Your skill and hard work, which are not within Executive Care's control.

7.3.2 Compliance with Manual

You shall operate Your Franchised Business in complete compliance with the mandatory standardsand specifications set forth in the confidential Manuals. Executive Care may make changes in these standards and specifications, when Executive Care deems necessary. Such changes may necessitate the purchase of additional equipment, supplies, furnishings or other goods, completion of additional training by You and Your managers, or other costs to You. You shall promptly conform to the modified standardsand specifications at Your own expense. You shall at all times keep Your copy of the Manuals current (by,for example, inserting in any revised Manual revised pages given to You by Executive Care and deleting superseded pages, or downloading the current version of the Manuals upon notification of any revision to any of the Manuals). If there is any dispute as to the requirements of any Manual at any point in time, the terms of the master copy of the applicable Manual maintained by Executive Care will control.

You shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall useall reasonable efforts to maintain such information as secret and confidential. Except for those portions ofthe Manual that Executive Care designates, in writing, as appropriate for copying and use at the Franchised Business, You shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials,in whole or in part, nor otherwise make the same available to any unauthorized person.

7.3.3 Required Services & Products

You must offer all of the products and services we designate, subject to applicable law. We have the right to modify these items from time to time. You may not offer or sell any other product or service through the Franchised Business without our prior written consent. Unless we designate otherwise in writing, You are expressly prohibited from participating in government payment programs, including, byway of example only, Medicaid and Medicare.

You must use the proprietary and non-proprietary techniques, materials, and supplies we designatein the Manual. You must provide all services in accordance with the standards and specifications set forthin the Manual, subject to applicable law. You must at all times maintain sufficient staff, materials and supplies to meet reasonably anticipated client demand.

7.3.4 Approved Suppliers

(a) We have the absolute right to limit the suppliers with whom You may deal. We require You to purchase certain items, products, services, signs, furnishings, supplies, fixtures and equipment from us, or distributors we have approved. You must purchase all goods, items, products and services required for the development and operation of the Franchised Business from our approved or designated suppliers. We have the right to designate one supplier for any given item or service. We will provide You with a list of suppliers, which list may change over time. While the suppliers included on this list are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time. Notifications of changes to the approved suppliers list will be communicated to You through changes to the Manual or other written communications, including via electronic mail. We may revoke approval of suppliers at any time upon written notice.

(b) We may become an approved supplier, and/or the only supplier, for any item, product, good and/or service at any time. We reserve the right to own an interest in any entity that will act as an approved supplier for any or all products and services You will use in the Franchised Business.

7.3.5 Right to Derive Income

We and/or our affiliates, may derive income, consideration, payments and other benefits on account of your purchase or lease of any products, services, supplies and/or other items from us or any supplier, including approved suppliers, and/or designated suppliers. This income may be derived in any form, including as a rebate from various suppliers based on the quantity of franchisee purchases. We may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefits to You and reserve the right to retain all such benefits.

7.3.6 Alternative Suppliers

(a) If You want to purchase any products, services, goods, equipment or supplies from a supplier or distributor who is not on our approved list, You may request our approval of the supplier or distributor (except in instances where we have designated a sole supplier of any product, item, good, equipment, service or supplies), which we may grant or deny. The proposed supplier's or distributor's product or service, as applicable, must conform in every respect to our standards and specifications and the supplier or distributor must have a good business reputation and be able and willing to provide sufficient quantities of the product and adequate service to you. The supplier or distributor must also provide us with any information we request in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product to our standards. This evaluation may include a sampling of the product at either the supplier's/distributor's or our place of business, as we may designate. Where appropriate, we require the supplier or distributor to provide us with product liability insurance. All suppliers and distributors must agree to provide us with reports concerning all purchases by You or other franchisees. You or the supplier will be responsible for all costs and expenses we incur in the testing and approval process. There are no fees currently associated with seeking approval for alternative suppliers; however, we reserve the right to charge a fee. We cannot predict with any certainty how long its evaluation will take, however, we attempt to complete our evaluation within 30 days. Upon the completion of our evaluation, we inform You of our approval or disapproval of your request. If we approve the supplier or distributor, the supplier or distributor is added to our approved list, however, our approval of a supplier or distributor relates only to the item or product line evaluated and specifically approved by us.

(b) Our standards, specifications and other criteria for supplier or distributor approval have been developed by us, our affiliates, and/or our principals through the expenditure of extensive work and time and are considered confidential information. Therefore, we do not make our standards and specifications or our other criteria for supplier or distributor approval available to You or suppliers.

(c) We may modify our specifications and standards for any item or revoke our approval of any supplier or distributor who fails to adhere to our quality standards or other requirements. We may limit the number of potential suppliers that we consider for approval and for some categories of products, we may designate a third party or ourselves as an exclusive supplier.

(d) Our criteria for approving suppliers are made available to You upon request (and may be set forth in the Manual). We do not issue specifications and standards to You or approved suppliers. As a condition of approving a supplier of any product or service, Executive Care may require that the supplier sign a license agreement with respect to the Executive Care Trade Name or Marks in a form acceptable to Executive Care. Executive Care may withdraw its approval of a supplier, service or Product if any or all no longer meet Executive Care's standards or specifications.

NEITHER EXECUTIVE CARE NOR ITS AFFILIATES MAKE ANY EXPRESS OR IMPLIED WARRANTIES REGARDING THE GOODS AND SERVICES, AND EXECUTIVE CARE AND ITS AFFILIATE EXCLUDE (AND EXPRESSLY DISCLAIM) ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, except as set forth in a particular written warranty, if any, provided in connection with a particular item or service.

7.3.7 Purchasing Programs; Promotional Programs

(a) We may establish national or regional purchasing programs for the purpose of negotiating purchases of certain products and/or services from approved or designated suppliers. The purchasing programs may (but are not required to) benefit You by reducing prices, increasing reliability in supply, improving distribution, establishing consistent pricing for reasonable periods to avoid market fluctuations. If a national and/or regional purchasing program is established for the region where your Franchised Business is located, You must participate in the program.

(b) We reserve the right, subject to applicable law, to require You to offer all promotions we specify from time to time, including, without limitation, charitable promotions under which a designated portion of Net Billings must be donated to the designated charitable organization.

7.3.8 Pricing

You must offer all products and services that we designate, subject to applicable law. We reserve the right to prohibit You from charging prices lower than our published prices for any service or item, to the maximum extent allowed by applicable law. We may also suggest pricing to You from time to time, however, we have the right to establish all pricing structures with National Accounts. We may change the types of authorized goods and services, and the prices for authorized goods and services sold by You. There are no limitations on our right to make changes.

7.3.9 Inspections

In an effort to protect, preserve and enhance the brand, the System and the goodwill associated therewith, You hereby acknowledge and agree that Executive Care and its designated agents or representatives may conduct periodic quality control and records inspections of the Franchised Business at any time during the Term. Inspections may be made with or without prior notice. Without limiting the foregoing, You grant Executive Care and its agents the right to (a) enter upon your Approved Office Location and any location where You provide services for the purpose of conducting inspections; (b) photograph your Franchised Business and observe and videotape your Franchised Business's operation for consecutive or intermittent periods Executive Care deems necessary; (c) interview your Franchised Business's personnel and clients; and (d) inspect and copy any books, records and documents related to your Franchised Business's operation. You shall cooperate with Executive Care's representatives in such inspections, including by rendering all assistance they request; and, upon notice from Executive Care or its agents and without limiting Executive Care's other rights under this Agreement, You shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. You further agree that You will reimburse Executive Care for its representative's time and travel expenses if an additional inspection of the Franchised Business is required when a violation has occurred, and You have not corrected the violation.

7.3.10 Client Satisfaction Program

You must present client with such evaluation cards or forms as the Franchisor may periodically prescribe, for return by the clients to Executive Care. If Your scores from the client response forms do not meet Executive Care's then current standards, as described in the Manual, Executive Care may suggest ways in which You can improve Your scores. We currently use a third-party service provider for our client

satisfaction program. You shall comply with all requirements imposed in connection with such program. If You do not take immediate, effective steps to bring Your operation into conformity with Executive Care's standards, Your failure to do so will constitute a material breach of this Agreement.

You (the owner or Your Designated Manager or Responsible Owner) shall respond to all client complaints, suggestions and the like via e-mail, telephone, or regular mail within forty-eight (48) hours of submission by the client or prospective client.

7.3.11 Maintenance Requirements

The Franchised Business must be operated and maintained at all times in compliance with the Manuals and all applicable laws, rules and regulations, including all laws, rules and regulations relating to health, safety, and sanitation, or set by Us. You shall maintain the office in a neat, clean, sanitary condition at all times. All services must be provided in accordance with all state, local, and federal law, and in accordance with the standards set forth in the Manuals. All necessary repairs shall be completed within seventy-two (72) hours. Any damaged or "worn" equipment, furniture or fixtures shall be repaired or replaced immediately. From time to time, Executive Care may require You to remodel all or part of the Franchised Business, including the office, purchase new equipment, furniture, fixtures, signs, and other such items as Executive Care designates. You must promptly, at Your own cost and expense, remodel, refurbish, and improve the Franchised Business as instructed by Executive Care.

7.3.12 Notification of Complaints, Licensure Violations and State Inspections

You shall notify Executive Care promptly if You are served with a complaint in any legal proceeding that is in any way related to the Franchised Business or if You become aware that You are the subject of any complaint to or investigation by a governmental agency, governmental licensing authority or consumer protection agency. You shall notify Executive Care immediately upon receipt of any notice of a breach of the lease agreement for the Approved Office Location premises. You shall notify Executive Care promptly of any Claim arising from or affecting the operation or financial condition of Your Franchised Business.

Within 48 hours of Your receipt of a state inspection or violation notice regarding your location or home care license, you shall notify Executive Care by telephone and by written notice. You shall also provide Executive Care with a copy of the state inspection or violation notice along with any reports or other notices generated.

7.3.13 Copies of Client Contracts & Provider Information

You must comply with all federal, state and local laws and regulations including those relating to the access, confidentiality, use and disclosure of medical records, the privacy of insurance information and other privacy acts. As such, You must obtain all necessary client consent requirements (as required by applicable law), in order to provide us with copies of all client contracts and records. Further, You and Executive Care must enter into a Business Associate Agreement, or any similar agreements prescribed by applicable law or by Us, in the form we prescribe in the Manual. Once all required client consents are obtained, You shall provide us with copies of any and all contracts entered into by and between You and any and all of your clients no later than five (5) days after the effective date of each such agreement. You shall promptly provide us with all provider numbers and any and all other information and documentation we require.

7.4. Licensing; Operational Specifications

7.4.1 You shall obtain all licenses designated by Executive Care or required by applicable law before You begin operating your Franchised Business. You shall personally supervise the Franchised Business.

7.4.2 If You are a legal entity, one of your owners who has completed our initial training program to our satisfaction must be appointed to serve as the “Designated Manager.” Among other things, the Designated Manager must personally supervise the Franchised Business at all times. With our prior approval, You may designate an individual who does not have an ownership interest in the franchisee entity, but who has completed our initial training program to our satisfaction, to serve as the Designated Manager. Your Designated Manager must devote his or her full time and best efforts to the promotion and operation of the Franchised Business. For brand and System protection purposes, You must require all employees who have access to confidential information or who attend our initial training program or other training program(s) to sign a confidentiality agreement and a non-compete agreement. When You execute this Agreement, You must also designate a “Responsible Owner” who will be identified in Exhibit 6 to this Agreement. The “Responsible Owner” must be an individual approved by Executive Care who (a) has an ownership interest in You; (b) has the authority to bind You regarding all operational decisions with respect to the Franchised Business; and (c) has completed the initial training program to Executive Care’s satisfaction. If You are a legal entity and your Designated Manager owns an interest in You, then your Designated Manager and your Responsible Owner may be the same person. You must, at all times during the term of this Agreement, have an active Responsible Owner. Your Responsible Owner shall exert full time and best efforts to the development and operation of the Franchised Business and may not engage in any other business or activity directly or indirectly that requires substantial management responsibility or time commitments or otherwise may conflict with Your obligations hereunder. If You wish to replace the originally designated Responsible Owner, You shall provide a written request to Executive Care, and You must obtain Executive Care’s prior written approval.

7.4.3 You (if You are an individual) are not required to devote a minimum number of hours to the management and operation of Your Franchised Business. However, Your Designated Manager or another employee who has successfully completed Executive Care’s initial training program to Executive Care’s satisfaction, and such health care, safety and other training we specify, shall be present at the office during regular business hours, and available by telephone during the times specified in the Manual. You shall maintain at all times a staff of competent, conscientious and trained employees sufficient to operate the Franchised Business in compliance with Executive Care’s standards. You shall hire a sufficient number of qualified, competent personnel, in order to offer prompt, courteous and efficient service to the public and otherwise operate the Franchised Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of your Franchised Business during working hours must wear uniforms that conform to Executive Care’s standards and specifications.

7.4.4 You must at all times during the Term, comply with our staffing requirements. Unless we specify otherwise, in the first three months of operation, and continuing through the remainder of the Term, You must employ or contract with, at a minimum, one full-time branch manager and one full-time patient coordinator, unless otherwise required by applicable law. These are the minimum start-up positions. You recognize that as your business develops You may need to hire additional staff. Applicable laws, rules and regulations may require You to employ one full-time Registered Nurse (or other professional). You are solely responsible for all employment decisions of the Franchised Business, including, hiring, firing, training, promotion, wage and hour requirements, recordkeeping, supervision and discipline of employees.

7.4.5 You shall conduct criminal background checks on all prospective employees and employees of the Franchised Business, including to determine any history of elder abuse or crimes involving elders. All employees must pass all applicable tests required by governmental entities or agencies, submit to pre-employment and random drug tests, have criminal background investigations performed and participate actively in safety training seminars and programs. You are solely responsible and assume any and all liability for hiring and other employment decisions.

7.4.6 In addition to providing the other services we require, You shall market and provide

supplemental healthcare staff to institutional clients within your Approved Territory, subject to applicable law. Institutional clients include facilities we approve, such as hospitals, nursing homes and clinics. You will offer the positions we designate or authorize from time to time to institutional clients, subject to applicable law. While we may specify the types of positions You may be required offer in order to service institutional clients, we do not direct or control labor or employment matters for You or your employees. You are solely and entirely responsible for all labor relations, including the hiring, firing and disciplining of employees, setting employee compensation, determining employee work schedules and to otherwise determine the terms and conditions of employment or independent contractor arrangements for your employees and personnel.

7.4.7 You shall market your in-home care services to individuals of varying needs. You will design a customized care plan for each home care client after a registered nurse (an “RN”), or other professional required by applicable law, on your staff has evaluated their needs. You will match the client, or a family member of the client, with a qualified, pre-screened caregiver who is compatible with the client’s needs. Your Franchised Business will also offer assistance with medication reminders, bath visits, meal preparation, personal care, transportation to and from doctor’s appointments, and companionship services. Your obligations under this paragraph 7.4.7 shall be subject to, and in compliance with, any and all applicable limitations imposed under applicable laws, rules and regulations.

7.4.8 You must have staff available to your clients on a regular basis and to fill in for absentee staff, as applicable. Unless we designate otherwise, in an effort to maintain System uniformity and brand protection, You are required to offer staffing services 24 hours a day, 7 days a week, and You must also provide live client-service support 24 hours a day.

7.4.9 You are responsible for investigating the availability and requirements for obtaining all necessary licenses, permits, certifications, etc. relating to the operation of your Franchised Business in your state.

7.5. Advertising

7.5.1 Local Advertising

You shall spend a minimum of \$750, or one percent (1%) of Net Billings per month, whichever is greater, on local advertising and promotion that conforms to the specifications in the Manual. Your local advertising and promotions must meet our guidelines. All advertising materials must be provided to Executive Care for approval no later than two (2) weeks before your proposed use. Executive Care will review the materials within a reasonable time and will notify You in writing as to whether Executive Care approves or rejects them. For purposes of this paragraph, “local advertising” means advertising that is directed to persons or entities within Your Approved Territory. You shall submit, on or before the tenth (10th) day of each month, copies of invoices or receipts to Executive Care for advertising materials and media showing compliance with the provisions of this paragraph during the immediately preceding month. Advertising expenditures in excess of the required minimum in any month may, with our prior written consent, not be used to offset shortfalls in any later month.

7.5.2 Brand Marketing Fund

You will contribute, in the manner prescribed by Executive Care, up to two percent (2%) of Your Net Billings per month to the Brand Fund to be used for advertising and promotion of the Executive Care brand.

(a) Executive Care or its designee will direct all advertising programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. You acknowledge and agree that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and that Executive Care and its designee are not obligated in any way,

including in connection with administering the Brand Fund, to make expenditures for You that are equivalent or proportionate to Your contribution, or to ensure that You or any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund. You acknowledge and agree that Executive Care's administration of the Brand Fund does not create any fiduciary relationship between You and Executive Care. Executive Care is not required to form a trust for the Brand Fund.

(b) The Brand Fund, all contributions thereto, and any earnings thereon, shall be used to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Executive Care believes will enhance the image of the System, including, among other things, the costs of preparing and conducting media advertising campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; electronic marketing; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; test or target marketing, the conducting of surveys, brand development and promotion, consulting and other related services to train franchisees on marketing or other brand-building techniques, development and implementation of new technology, and providing promotional and other marketing materials and services to the Franchised Businesses operated under the System. The Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Executive Care, which products, services, or improvements Executive Care deems, in its sole discretion, will promote general public awareness and favorable support for the System. You expressly acknowledge that the Brand Fund contributions may be used to pay for administrative expenses to Executive Care or its designee. Administrative expenses may include amounts equivalent to salaries, travel and other expenses of Executive Care or its designee's employees whose services are provided to further the purposes and efforts of the Brand Fund.

Executive Care has no obligation to segregate Brand Fund contributions or maintain accounts separate from its other funds. Brand Fund contributions may be commingled with funds in Executive Care's general accounts. Executive Care expects to use an amount equal to all contributions made in any fiscal year, but any monies remaining in any Brand Fund at the end of any year will carryover to the next year. We may spend in any calendar year more or less than the total contributions to the fund in that year and may cause the fund to invest any surplus for future use by the fund. We may borrow from ourselves, our affiliates or other lenders on behalf of the fund to cover deficits, and such amounts shall be treated as a loan. We will keep records of any such borrowing described above. The Brand Fund will not be audited, unless Executive Care elects to require an audit, in which event all expenses for the audit will be paid out of Brand Fund contributions. Financial information about the Brand Fund will be made available annually, and we will provide it to you or make it available to you upon reasonable written request.

(c) Although the Brand Fund is intended to be of perpetual duration, Executive Care maintains the right to terminate the Brand Fund. The Brand Fund shall not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes. Other System franchisees may be required to contribute to the Brand Fund at different rates. None of the Brand Fund contributions paid to us are refundable at any time, including upon termination or expiration of this Agreement.

7.5.3 Signs

You shall permanently display, at your own expense, at your office and in connection with the operation of your Franchised Business, signs of any nature, form, color, number, location and size, and containing any legends, that Executive Care has designated in the Manual or otherwise in writing. Executive Care has the right to require You to change, modify, update, upgrade and/or change any and all signs used in connection with the operation of your Franchised Business at any time upon written notice to ~~y~~ You.

7.5.4 Advertising Cooperative

Executive Care may, in Executive Care's discretion, designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Franchised Business. Executive Care reserves the right to administer the Cooperative. If a Cooperative is established applicable to the Franchised Business, You must participate in the Cooperative. Cooperative contributions will be credited towards your minimum local advertising expenditure requirement set forth in Section 7.5.1. The following provisions will apply to each Cooperative:

(a) Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Executive Care;

(b) Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Executive Care's approval, standardized advertising materials for use by the members in local marketing;

(c) No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Executive Care's prior approval;

(d) Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; however, the Cooperative may, by a two-thirds majority vote of its members, require a Cooperative contribution in excess of the minimum local advertising expenditure requirement set forth in Section 7.5.1;

(e) Each member franchisee must submit to the Cooperative its respective contribution together with such other statements or reports as Executive Care may require or as may be required by the Cooperative with Executive Care's approval;

(f) Executive Care may grant to You, in its sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request from You stating reasons supporting such exemption. Executive Care's decision concerning such request for exemption will be final;

(g) Executive Care will have the power to require any Cooperative to be formed, changed, dissolved, or merged at any time; and

(h) Company-owned Executive Home Care businesses located in the Cooperating will participate in the Cooperative and contribute cooperative advertising fees on the same basis as franchisee members.

7.6. Financial Information

7.6.1 Records

You shall establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You shall record all sales, all client contracts, and all receipts of revenue in the form and manner we designate in the Manual. You shall promptly schedule all client services and appointments using the scheduling software we designate. Bank Deposits must validate all receipts. You shall retain all records for at least three years after the date of service (or for a longer period if required by applicable law). You shall retain all other records and receipts used in the ordinary course of business. You shall furnish all records to Executive Care upon request. You shall keep all client information strictly confidential. You shall maintain all client information and records in the form and manner required by applicable state and federal regulations.

7.6.2 Reports

You shall submit to Executive Care, on or before 9:00 AM EST each Tuesday, weekly sales information for the previous Monday-Sunday. You shall submit to Executive Care, on or before 9:00 AM EST

on the tenth (10th) day following the end of each month, financial reports on the income and expenses of the Franchised Business in the format specified in the Manual. You will submit monthly profit and loss statements no later than the 15th of each month, or as Executive Care otherwise directs, containing data for the immediate prior month. You will also submit to Executive Care such other forms, reports, records, information, and data as Executive Care may reasonably designate from time to time or as set forth in the Manual.

You shall also submit to Executive Care, at the time of filing, copies of all federal, state and local income, sales, and property tax returns. You shall, simultaneously with the execution of this Agreement and each time Executive Care designates at any time during the term, complete, sign and provide to Executive Care, any and all forms, consents and documentation necessary for Executive Care to independently obtain copies of your tax returns, including, without limitation, IRS Form 4506, as such form may be amended from time to time, and any other form required by the IRS. You hereby consent to Executive Care (a) submitting Form 4506 and any other documentation and information necessary to obtain copies of your filed tax returns, and (b) obtaining copies of your tax returns.

Executive Care will use this data from your reports and tax returns to confirm that You are complying with Your obligations under this Agreement, to formulate earnings and expense information for possible disclosure to prospective franchisees, and for whatever other purposes Executive Care deems appropriate.

7.7. Insurance

7.7.1 Throughout the entire term of this Agreement, You must maintain such types of insurance, in such amounts, as Executive Care designates in the Manuals. Such insurance is in addition to any other insurance that may be required by applicable law, Your landlord, or otherwise. Policies that Executive Care requires must be written by an insurance company financially rated A- or better, and must name Executive Care and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insured parties on all of the policies. Additional insured status shall include, without limitation, coverage for ongoing and completed operations, and shall apply on a primary and non-contributory basis. You must maintain such additional insured status for Executive Care on Your general liability policies continuously during the term of this Agreement. All policies must be written on an "occurrence" basis (unless otherwise specified in this Agreement or in the Manuals). Subrogation shall be waived on each applicable insurance policy where allowed by law.

7.7.2 All required policies must contain such endorsements as will from time to time, be provided in the Manuals. At least thirty (30) prior to the opening of the Franchised Business, and thereafter at least thirty (30) days prior to the expiration of any such policy, You must deliver to Executive Care, certificates of insurance, endorsements, insurance declarations and/or other documents requested by Executive Care (collectively "certificates"), evidencing the proper coverage with limits not less than those required in the Manual. All certificates must expressly provide that no less than thirty (30) days' prior written notice will be given to Executive Care in the event of material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. In the event that You fail to obtain the required insurance or to provide evidence reasonably satisfactory to Executive Care of the insurance policies required by this Agreement, Executive Care may (but is not obligated to) obtain such required policies on Your behalf, and You agree to promptly reimburse Executive Care for all costs related to obtaining such policies. Your failure to provide Executive Care with any certificate or other evidence of insurance constitutes a default under this Agreement and may result in termination.

7.7.3 Executive Care may change the minimum insurance requirements set forth in the Manual from time to time as it deems appropriate.

7.7.4 You must purchase any bonds required by the state or municipality in which You do business. If You fail to purchase any required insurance, Executive Care may purchase it on your behalf and bill You for it.

7.8. Financial and Legal Responsibility

7.8.1 Compliance with Law

You shall comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the Franchised Business, including but not limited to all laws, regulations, ordinances related to health, safety, sanitation, HIPAA, privacy, employment and taxation, among other things. It is your responsibility to determine the requirements and limitations of all such applicable laws, rules and regulations. You shall keep current all certifications, licenses, permits, bonds, and deposits made to or required by any government agency and Executive Care in connection with the lawful operation of the Franchised Business at all times during the Term. Certain states may specifically require permits, licenses, or certificates to operate an in-home care business; You are responsible for compliance with these requirements.

You must obtain and maintain all health care and employment related permits, licenses, and certifications and other indications of authority necessary for the operation of your Franchised Business. Some jurisdictions may also require You to obtain and maintain a Certificate of Need and/or a license to provide employment services. You must also obtain any other particular permit, license or accreditation that we designate. Note that some states have imposed a moratorium on the issuance of home health agency licenses, nurse staffing licenses, and other in-home healthcare licenses or permits.

7.8.2 Payment of Indebtedness

You shall pay promptly when due all taxes and all debts that You incur in the conduct of your business. If Executive Care pays a debt on your behalf, You shall reimburse Executive Care promptly.

7.9. Creative Works

All ideas, concepts, techniques and materials concerning the Franchised Business, and the products and services offered therein, whether or not created by or for You, your owners, or employees, must be promptly disclosed to Executive Care, and whether or not protectable intellectual property, will be deemed to be our sole, exclusive property. Executive Care may at its sole discretion designate them as part of our System, and works-made for hire, for Executive Care. To the extent any item does not qualify as a “work made for hire” for Executive Care, You, on behalf of Yourself, Your employees, and You owners, shall secure assignment of ownership of that item and all related rights to Executive Care upon written request. You agree to take all actions we request (including but not limited to an assignment agreement) to designate Executive Care as owner or to assist Executive Care in obtaining intellectual property rights in the item.

8. RELATIONSHIP OF PARTIES

8.1. Interest in Marks and System

You expressly understand and acknowledge that:

(a) Executive Care (or its affiliate) is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them.

(b) The Marks are valid and serve to identify the System and those who are authorized to operate under the System.

(c) Neither You nor any principal of You shall directly or indirectly contest the validity or Executive Care’s ownership of the Marks, nor shall You, directly or indirectly, seek to register the Marks with any government agency, except with Executive Care’s express prior written consent.

(d) Your use of the Marks does not give You any ownership interest or other interest in or to the Marks, except the license granted by this Agreement.

(e) Any and all goodwill arising from Your use of the Marks shall inure solely and exclusively to Executive Care's benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Your use of the System or the Marks.

(f) The right and license to use the Marks granted hereunder to You is non-exclusive, and Executive Care thus has and retains the rights, among others:

(i) To use the Marks itself in connection with selling Services, Approved Services and other items;

(ii) To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees; and

(iii) To develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to You.

8.2. Independent Status

It is expressly agreed that the parties intend by this Agreement to establish between You and Executive Care the relationship of franchisee and franchisor. It is further agreed that You have no authority to create or assume in Executive Care's name or on Executive Care's behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither You nor Executive Care is the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. All employees, independent contractors and agents hired or engaged by or working for You will be only the employees, independent contractors or agents of yours and will not, for any purpose, be deemed employees, independent contractors or agents of Executive Care, nor subject to Executive Care's control. Executive Care has no authority to exercise control directly or indirectly over the hiring or termination of your employees, independent contractors, agents or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the brand and the Marks. You shall file your own tax, regulatory and payroll reports with respect to your employees, agents and contractors and You shall save, indemnify and hold Executive Care and its parents, affiliates, owners, officers, directors and subsidiaries harmless from any and all liability, costs and expenses of any nature that any such party incurs related to these obligations. You shall in all respects be an independent contractor, and nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, joint-employer, partner, employee, or servant of the other for any purpose whatsoever. Without limiting the foregoing, You are an independent legal entity and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees, clients and others. You and Executive Care are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense, and neither party has the right to bind the other. No act or assistance by either party to the other pursuant to this Agreement may be construed to alter this relationship. You are solely responsible for compliance with all federal, state, and local laws, rules and regulations, and for complying with Executive Care's policies, practices, and decisions relating to the operation of the Franchised Business. You shall rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. You may not expressly or implicitly hold yourself out as an employee, partner, shareholder, member, joint venturer or representative of Executive Care, nor may You expressly or implicitly state or suggest that You have the right or power to

bind Executive Care or to incur any liability on Executive Care's behalf. You may not use the Trade Name or Marks as part of your corporate name, limited liability company name, or limited partnership name. There is no fiduciary duty between You and Executive Care.

8.3. Display of Notice

You shall conspicuously display a sign that states that "THIS FRANCHISED BUSINESS IS AN INDEPENDENTLY OWNED AND OPERATED FRANCHISED BUSINESS OWNED AND OPERATED BY [NAME OF FRANCHISEE]" within the office. Business cards, client agreements, stationery, purchase order forms, invoices, receipts, and other documents that You use in Your business dealings with suppliers, government agencies, employees and clients must clearly identify You as an independent legal entity. You shall not use any of the Marks or the words "Executive Care" as part of your legal entity name.

8.4. Confidentiality

You acknowledge and agree that the information, ideas, forms, marketing plans, information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, client lists, manuals and instructional materials describing Executive Care's methods of operation and other materials disclosed to You under this Agreement, whether or not included in the Manual, are confidential and proprietary information and trade secrets of Executive Care ("Confidential Information"). You also agree that the foregoing Confidential Information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes "trade secrets" belonging to Executive Care. You agree that Executive Care derives independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means, by another person. You also agree that you will not acquire any interest in such Confidential Information, other than the right to use it as Executive Care specifies. Any and all information, knowledge, and techniques which Executive Care designates as Confidential Information shall be deemed Confidential Information for purposes of this Agreement, except information which You can demonstrate came to Your attention prior to disclosure thereof by Executive Care or which, at or after the time of disclosure by Executive Care to You, had become or later becomes a part of the public domain, through publication or communication by others. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to Your employees and agents as necessary in the regular conduct of the Franchised Business and except as authorized in writing by Executive Care. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain confidential and proprietary information in limited circumstances, as specified in the Manual. You shall be responsible for requiring compliance by Your Related Parties and employees with the provisions of this Section. You shall obtain signed Nondisclosure and Noncompetition Agreements, in the form of Exhibit 4 to this Agreement, from Your Related Parties and employees, and send Executive Care a copy of each such agreement upon demand.

8.5. Indemnification

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties from, all Claims, obligations, and damages directly or indirectly arising out of or related to this Agreement, the operation of the Franchised Business, Your conduct, act or omission or the conduct, act or omission of any of your employees or agents, the Franchised Business You operate under this Agreement, the relationship between You and us, or Your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the Claims are determined to

be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction, including, but not limited to, claims brought by You. We may defend any Claim against any Indemnified Parties at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a Claim against You under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from You under this paragraph. Without limiting the foregoing, if Executive Care is made a party to a legal proceeding in connection with Your act or omission, Executive Care may hire counsel to protect its interests and bill You for all costs and expenses incurred by Executive Care. You shall promptly reimburse Executive Care for such costs and expenses.

Executive Care will indemnify and hold You harmless from all expenses and liabilities arising from a third party's Claim that Your operation of the Franchised Business under and in accordance with this Agreement infringes on the intellectual property of the third-party claimant. If You are made a party to a legal proceeding in connection with any such infringement Claim, Executive Care has the right to hire counsel to protect Your interests. You agree to cooperate fully with Executive Care in any such action.

8.6. Covenants

8.6.1 In-Term

During the Term, You shall not, directly, or indirectly for yourself or through, on behalf of, or in conjunction with any person or entity, own, maintain, operate, engage in, consult with, provide any assistance to, or have any interest in a Competitive Business.

You shall not divert or attempt to divert any business, client, or potential client of the Franchised Business or any other Executive Care Business to any competitor, by direct or indirect inducement or otherwise, or to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

8.6.2 Post-Term

You may not, for a continuous uninterrupted period commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons (including your spouse or any immediate family member, or the spouse or any immediate family member of any personal guarantor of this Agreement), partnership, limited liability company or corporation:

(a) Own, maintain, operate, engage in, provide any assistance to, or have any interest in, any Competitive Business that is (a) located at the Approved Office Location; (b) located or providing services within, or within 20-miles of, the Approved Territory; or (c) located at or providing services within, or within 20-miles of, any other System franchisee's approved territory; or

(b) Provide any services that a Competitive Business offers to any client of ours or any client of the Franchised Business, regardless of where the client is located.

8.6.3 The term "Competitive Business" shall mean any business which offers in-home personal care, in-home companionship, in-home meal preparation, medication reminders, , in-home registered nurses' services, in-home health aid services, supplemental healthcare staffing, or any combination of two

(2) or more of the following services to the same client: personal scheduling, light in-home housekeeping and health consulting.

8.6.4 You agree to obtain the individual written agreement of each of Your Related Parties to the provisions of this Section in the form of a Nondisclosure and Noncompetition Agreement, attached as Exhibit 4 to this Agreement as a condition of employment. You shall provide a copy of each such Agreement to Executive Care immediately upon demand.

8.6.5 You agree that the time periods in Section 8.6.2 will be tolled for any period during which You or any of the Related Parties are in breach of the covenants and any other period during which Executive Care seeks to enforce this Agreement. The parties agree that the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If any court of competent jurisdiction determines that the geographic limits, time period or line of business defined by this Article 8 is unreasonable, the parties agree that such a court of competent jurisdiction may determine an appropriate limitation to accomplish the intent and purpose of this Section and the parties, and each of them, agree to be bound by such determination.

9. TRANSFER OF FRANCHISE

Executive Care shall have the right to transfer all or any part of its rights or obligations herein to any person or legal entity, including to any competitor of Executive Care which agrees to assume Executive Care's obligations hereunder, without obtaining your consent.

9.1. Purpose of Conditions for Approval of Franchisee

Executive Care's grant of this franchise is made in reliance upon Your integrity, ability, experience and financial resources. You shall not, without the prior written consent of Executive Care, directly or indirectly transfer, subcontract, pledge or otherwise encumber, sell, give, gift, in any manner whatsoever assign (whether by operation or law or otherwise) or otherwise Transfer: (a) the rights and obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Franchised Business. In order to ensure that no Transfer jeopardizes the Trade Name, the Marks, or Executive Care's interest in the successful operation of the Franchised Business, Executive Care will consent to a Transfer only if You comply with the provisions of Sections 9.2 and 9.3 of this Agreement and if the conditions described in Section 9.3.1 are fulfilled.

9.2. Notice of Proposed Transfer

If You would like to effectuate a Transfer, You shall submit to Executive Care: (a) the form of franchise application currently in use by Executive Care, completed by the prospective transferee; and (b) a written notice, describing all the terms and conditions of the proposed transfer.

9.3. Consent by Executive Care; Right of First Refusal

Executive Care will respond in writing to Your written notice within fifteen (15) days after receiving it, or, if Executive Care requests additional information, within the later date of fifteen (15) days after receipt of the additional information or the final day of the original fifteen (15) day period. Executive Care may either consent to the Transfer; tell You it's reasons for refusing to consent or purchase the Franchised Business from You itself upon the same terms and conditions as those offered by the third party. Silence shall not be construed as consent. If Executive Care consents to the Transfer, then You may transfer the interest described in the notice only to the named buyer and only upon the terms and conditions stated in the notice, subject to your compliance with the conditions set forth in Section 9. Consent by Executive Care to a particular transfer will not constitute consent to any other or subsequent Transfer.

9.3.1 Conditions for Consent to Transfer

The consent of Executive Care is subject to your satisfaction of certain conditions imposed by Executive Care, including but not limited to:

(a) Satisfaction of Executive Care that the proposed transferee meets all of the criteria of character, business experience, financial responsibility, net worth and other standards that Executive Care customarily applies to new franchisees at the time of Transfer;

(b) Payment of all Your outstanding debts to Executive Care and its Related Parties;

(c) Cure of all defaults under the Franchise Agreement, and any other agreement(s) between Executive Care, or its Related Parties and You;

(d) The transferee must sign Executive Care's then-current form of franchise agreement, appropriately amended in light of the fact that the business is already operational, ~~and payment by the transferee of the then-current Initial Franchise Fee.~~

(e) Signing by the transferee of an assumption of all liabilities and benefits of the existing franchise agreement;

(f) Completion by the transferee of Executive Care's initial training program, and completion of any in-home care and/or other training program Executive Care designates, to Executive Care's satisfaction;

(g) You and Your Related Parties that are parties to this Agreement and the transferee shall have executed Executive Care's then-current form of Consent to Transfer and Release Agreement, which agreement shall contain a general release, in a form satisfactory to Executive Care, releasing Executive Care and its Related Parties of any and all Claims against Executive Care and its Related Parties, affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, Claims arising under this Agreement, any other agreement between You and Executive Care or its affiliates, and federal, state, and local laws and rules;

(h) Payment to us of a Transfer Fee equal to: (i) \$1,500 for any changes to the ownership structure of the existing franchisee entity (i.e., majority ownership of the business does not change), in which event the monthly royalty percentage will not change; or (ii) 50% of the then-current standard initial fee for any transfers to someone that is not a current franchise owner in the Executive Care system; or (iii) 20% of the then-current standard Initial Franchise Fee for any transfers to an existing franchisee within the Executive Care system that is approved for expansion; and

(i) Any purchase and sale agreement between You and the transferee shall provide for and require that the Franchised Business shall continue to operate without interruption during the transfer.

9.4. Transfer from an Individual Owner to a Corporation, Limited Liability Company or other Entity.

If You are comprised of one or more individuals, You may, during the six (6) month period after the Effective Date, and after obtaining our prior written consent, transfer and assign all of your rights and obligations under this Agreement to a corporation, limited liability company or other entity that is wholly owned by You (the "Legal Entity"); provided that You satisfy the Assignment to Legal Entity Conditions

(as set forth in paragraphs 9.4.1 through 9.4.4 below). Such an assignment to a Legal Entity will not be subject to the Right of First Refusal, as set forth in Section 9.3 of this Agreement, or to the conditions of transfer set forth in Section 9.3.1 of this Agreement:

9.4.1 You cause the Legal Entity in its articles of incorporation or operating agreement, as applicable, to provide that its purpose and business activities are to be confined exclusively to the operation of the Franchised Business as authorized by, and in accordance with, the terms and conditions of this Agreement;

9.4.2 You and the Legal Entity enter into Executive Care's then-current form of Assignment and Assumption Agreement and Certification of Ownership Acknowledgment, or such other form as Executive Care designates or prescribes, and each owner in the Legal Entity executes Executive Care's then-current form of Personal Guaranty and Subordination Agreement;

9.4.3 You are in Good Standing under this Agreement both at the time of your request for the proposed assignment and on the date the assignment to the Legal Entity is to be effectuated;

9.4.4 You and the Legal Entity have executed a general release, in a form satisfactory to Executive Care, of any and all Claims against us and our members, officers, directors, employees, affiliates and agents;

9.4.5 If the assignment takes place after six (6) months from the Effective Date, You must pay to Executive Care an assignment fee in the amount of \$1,500 to compensate us for all of our expenses for the administration of the Transfer, including the preparation, execution and filing of all documentation required by us in connection with the Transfer.

9.5. Assignment Upon Death; Disability

9.5.1 If You (or if You are a legal entity, any person with a controlling interest in You (the "Controlling Interest Person") die during the term of this Agreement, Your (or your Controlling Interest Person's) heirs or beneficiaries may have sixty (60) days within which to demonstrate to Executive Care's satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that Executive Care requires of new franchisees or Controlling Interest Persons at that time. If Executive Care approves Your (or your Controlling Interest Person's) heirs or beneficiaries as transferees of the franchise and they meet the other conditions of Transfer, Executive Care will waive any transfer fee in connection with the Transfer. If Executive Care advises Your (or your Controlling Interest Person's) heirs or beneficiaries in writing that Executive Care will not approve them as transferees, or if Executive Care fails to approve or disapprove the Transfer within sixty (60) days following Your (or your Controlling Interest Person's) death, Your (or your Controlling Interest Person's) heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Transfer or the end of the sixty (60)-day period, whichever is first, within which to find and notify Executive Care of a proposed Transfer to a qualified buyer in conformity with the provisions of Sections 9.2, 9.3, and 9.5 of this Agreement. If Your (or your Controlling Interest Person's) heirs or beneficiaries do not advise Executive Care of a qualified buyer within the specified period, the franchise will automatically terminate at the end of the sixty (60) day period unless Executive Care has granted a written extension of time.

9.5.2 Upon Your permanent disability or the permanent disability of any person with a controlling interest in You, Executive Care may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 9 within six (6) months after notice to You. "Permanent disability" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed

practicing physician selected by Executive Care upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 9.5 as of the date of refusal. Executive Care shall pay the cost of the required examination.

10. TERMINATION OF FRANCHISE

10.1.1 Automatic Termination

You shall be deemed to be in default under this Agreement and all rights granted to you hereunder shall terminate automatically without notice to you upon the occurrence of any of the following:

(a) You or any of your guarantors become insolvent, makes a general assignment for the benefit of creditors, or is adjudicated a bankrupt, unless otherwise restricted by the relevant bankruptcy laws;

(b) A petition in bankruptcy for liquidation, reorganization, or other proceeding is filed by or against You; or a receiver is appointed or a bill in equity or other proceeding for the appointment of a receiver of You or other custodian for your Franchised Business or assets is allowed; or the real or personal property of You are attached or levied upon by any sheriff, marshal, or constable.

10.1.2 Immediate Termination upon Notice of Default

Upon the occurrence of any of the following defaults, Executive Care at its option may terminate this Agreement effective immediately upon written notice to You:

(a) If You misuse the Trade Name, Marks or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them or if You use in the Executive Care Business any names, marks, systems, logotypes or symbols that Executive Care has not authorized You to use;

(b) If You or any of Your Related Parties has any direct or indirect interest in the ownership or operation of any business other than the Franchised Business that is confusingly similar to the Franchised Business or uses the System or the Marks, or if You fail to give Executive Care a signed copy of the Nondisclosure and Noncompetition Agreement, a form of which is attached hereto as Exhibit 4, for each of Your Related Parties or Your employees within ten (10) days after Executive Care requests it;

(c) If You attempt to assign or Transfer Your rights under this Agreement in any manner not authorized by this Agreement;

(d) If You or Your Related Parties have made any material misrepresentations in connection with the acquisition of a Franchised Business or to induce Executive Care to enter into this Agreement;

(e) If You act without Executive Care's prior written approval or consent in regard to any matter for which Executive Care's prior written approval or consent is expressly required by this Agreement;

(f) If You abandon the Franchised Business or if You cease to operate the Franchised Business, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or other act of God;

(g) If You offer any product or service without Executive Care's prior written consent, or fail to offer any product or service designated by Executive Care (subject to applicable law);

(h) If a threat or danger to public health or safety results from the operation, maintenance, or construction of the office or the Franchised Business;

(i) You lose the right to occupy the premises of the Approved Office Location;

(j) If You plead guilty to, plead no contest to, or are convicted of, a felony, a crime involving moral turpitude, or any other crime or offense that Executive Care believes is reasonably likely to have an adverse effect on the System or Marks, the goodwill associated therewith, or Executive Care's interest therein;

(k) If You fail to comply with all federal, state, and local laws, regulations, and ordinances pertaining, directly or indirectly, to the Franchised Business;

(l) If You knowingly maintain false books or records, or submit any false reports to Executive Care;

(m) If You fail to obtain and/or maintain any of the licenses, permits, certifications or accreditations You are required to obtain and maintain at any time during the Term of this Agreement;

(n) If You commit three or more breaches of any of your obligations under this Agreement within any consecutive 12-month period.

10.1.3 Termination after Five Days' Notice to Cure

Executive Care at its option, may terminate this Agreement, effective five (5) days after written notice is given to You, if You fail to make any payment when due under this Agreement or any other agreement between You and Executive Care, an affiliate of Executive Care, a Related Party of Executive Care, or a designee of Executive Care.

10.1.4 Termination after Thirty Days' Notice to Cure

Upon the occurrence of any of the following defaults, Executive Care at its option may terminate this Agreement after thirty (30) days' notice to cure:

(a) If You fail to submit to Executive Care in a timely manner any information You are required to submit under this Agreement;

(b) If You fail to begin operation of the Franchised Business within the time limits as provided in this Agreement or if You fail to operate Your Franchised Business in accordance with this Agreement and the Manual;

(c) If You are in default under your lease agreement or any other agreement relating to the Franchised Business;

(d) If You fail to make payments relating to the Franchised Business to third parties when due;

(e) If You default in the performance of any other obligation under this Agreement or any other agreement with Executive Care or its Related Party; or

(f) If You fail to designate and maintain throughout the term of this Agreement a Responsible Owner.

Under this Section 10.2.3, Executive Care may terminate this Agreement only by giving written notice of termination stating the nature of the default to You at least thirty (30) days prior to the effective date of termination; provided, however, that You may avoid termination by immediately initiating a remedy to cure such default, curing it to Executive Care's satisfaction, and promptly providing proof thereof to Executive Care within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to You effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

10.2. Rights and Obligations After Termination or Expiration

Upon termination of this Agreement for any reason, the parties will have the following rights and obligations:

- (a) Executive Care will have no further obligations under this Agreement.
- (b) You shall give Executive Care a final accounting for the Franchised Business, pay Executive Care within thirty (30) days after termination all payments due to Executive Care, and return the Manual and any other property belonging to Executive Care to it, along with a current client list as of the date of Termination and a current employee list as of the date of Termination.
- (c) You shall immediately and permanently cease to operate the Franchised Business, provided You must aid Executive Care in the orderly transition of clients to other Executive Care Businesses. You shall immediately and permanently stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that You are operating a Franchised Business; You shall refrain from any statement or action that might give others the impression that You are or ever were affiliated with the EXECUTIVE CARE YOUR HOME CARE COMPANY® System.
- (d) You shall promptly sign any documents and take any steps that in the judgment of Executive Care are necessary to delete Your listings from classified telephone directories, disconnect or, at Executive Care's option, assign to Executive Care all telephone numbers, social media accounts, and email addresses that have been used in the Franchised Business, and terminate all other references that indicate You are or ever were affiliated with Executive Care or a Franchised Business. By signing this Agreement, You irrevocably appoint Executive Care as Your attorney-in-fact to take the actions described in this paragraph if You do not do so Yourself within seven (7) days after termination of this Agreement.
- (e) You shall maintain all records required by Executive Care under this Agreement for a period of not less than five (5) years after final payment of all amounts You owe to Executive Care, its Related Parties, affiliates, and designees when this Agreement is terminated (or such longer period as required by applicable law).
- (f) Executive Care has an option, but not the obligation, to purchase any or all of the physical assets of the ExecutiveCare Business, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of termination, valued as follows:
 1. The lower of depreciated value or fair market value of the equipment, supplies and inventory; and
 2. Depreciated value of other tangible personal property calculated on the straight-line method over a five (5) year life, less any liens or encumbrances.

Executive Care must send written notice to You within thirty (30) days after termination of this

Agreement of its election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each will appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after termination who must determine the price for the physical assets of the Franchised Business in accordance with the standards specified above. This determination will be final and binding upon both Executive Care and You.

(g) Executive Care has an option to replace You as lessee under any lease or note in connection with the Franchised Business. Upon request by Executive Care, You shall give Executive Care copies of all leases immediately upon termination. Upon request by Executive Care, You shall allow Executive Care the opportunity, at a mutually satisfactory time, to inspect the leased equipment and premises. Executive Care must request the information and access described in this paragraph within fifteen (15) days after termination; it must advise You of its intention to exercise the option within fifteen (15) days after it has received the information and/or inspected the equipment. Executive Care may assume any lease in consideration of its assumption of future obligations under the lease. Upon exercise of this option by Executive Care, You shall be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised

(h) You may not sell, or in any way divulge, the client list, employee list, Approved Services, products, approved suppliers, or other confidential and proprietary information of EXECUTIVE CARE YOUR HOME CARE COMPANY®.

(i) If the premises are leased from a third party, and if Executive Care elects, the Franchisee shall immediately assign its interest in the lease to the Franchisor and immediately surrender possession of the premises to the Franchisor. The Franchisee is and remains liable for all of its obligations accruing up to the effective date of any lease assignment.

(j) You shall assign to Executive Care or its designee, to the extent assignable under applicable law, any and all licenses (including home care licenses), permits and approvals issued in connection with the operation of the Franchised Business. Without limiting the foregoing, You shall enter into the Conditional Assignment of Business Licenses with Executive Care immediately upon execution of this Agreement.

(k) Franchisee shall abide by the post-termination confidentiality and non-compete covenants, including as set forth in Section 8.6 of this Agreement.

10.3. No Limitation of Remedies

No right or remedy conferred upon or reserved to Executive Care (including as set forth in Section 10.3 above) is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. Nothing herein shall be construed to deprive Executive Care of the right to recover damages as compensation for lost future profits. Termination of this Agreement will not end any obligation of either party that has come into existence before termination. All obligations of the parties, which by their terms or by reasonable implication are to be performed in whole or in part after termination, shall survive termination.

11. MISCELLANEOUS PROVISIONS

11.1. Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual, this Agreement will control.

11.2. Governing Law, Venue and Jurisdiction

11.2.1 This Agreement shall take effect upon its acceptance and execution by Executive Care. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050 et seq.), this Agreement, the franchise and all Claims arising from or in any way related to the relationship between Executive Care, and/or any of its affiliates, on the one hand, and you, and any of your owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the procedural and substantive laws of the State of Arizona, which laws shall prevail in the event of any conflict of law, except that any Arizona law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section 11.2.1.

11.2.2 The parties hereby expressly agree that the United States District Court for District of New Arizona, or if such court lacks subject matter jurisdiction, the State Superior Court in Maricopa County, Arizona, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, the operation of the Franchised Business, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. You acknowledge that this Agreement has been entered into in the State of Arizona and that You are to receive valuable and continuing services emanating from Executive Care's headquarters in Maricopa County, Arizona. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

11.3. Notices

The parties to this Agreement shall direct any notices to the other party at the Delivery Address specified below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. The parties shall notify each other in writing if the Delivery Address changes. Upon the opening of Your Franchised Business, the Delivery Address will be Your Approved Office Location. Notice may be delivered by email or facsimile (with simultaneous mailing of a copy by first class mail), courier, or first-class mail. Notice by email or facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days afterposting. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

11.4. Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

11.5. No Waivers

No delay, waiver, omission, or forbearance on the part of Executive Care to exercise any right, option, duty, or power arising out of any breach or default by You under any of the terms, provisions, covenants, or conditions hereof, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against You, or as to subsequent breach or default by You. Subsequent acceptance by Executive Care of any payments or partial payments due to it hereunder shall not be deemed to be a waiver

by Executive Care of any preceding or succeeding breach by You of any terms, provisions, covenants, or conditions of this Agreement, or other amounts due.

11.6. Integration

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties. This Agreement supersedes any and all prior negotiations, understandings, representations and agreements. No representations have induced You to execute this Agreement with Executive Care. Except for those permitted to be made unilaterally by Executive Care hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

Notwithstanding the foregoing, nothing in this Agreement will serve to disclaim or require You to waive reliance on any representation that Executive Care made in the disclosure document (including its exhibits and amendments) (the “FDD”) that Executive Care delivered to You or Your representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

11.7. Dispute Resolution

11.7.1 Procedure

The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation. Other than an action by Executive Care under Section 11.13 of this Agreement, the parties agree that if any dispute arises between them, before beginning any legal action to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

11.7.2 Initiation of Procedures

The party that initiates these procedures (“Initiating Party”) must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party’s Claim for relief, including the damages sought, and identifying one or more persons with authority to settle the dispute for him, her, or it. The party receiving the notice (“Responding Party”) has seven (7) days within which to designate by written notice to the Initiating Party one or more persons with authority to settle the dispute on the Responding Party’s behalf (the “Authorized Persons”).

11.7.3 Direct Negotiations

The Authorized Persons may investigate the dispute as they consider appropriate but agree to meet in person at a mutually agreed upon location, within seven (7) days from the date of the designation of Authorized Persons to discuss resolution of the dispute. The Authorized Persons may meet at any times and places and as often as they agree. If the responding party fails to designate an Authorized Person within the time specifications or fails to attend a meeting to discuss resolution of the dispute or if the dispute has not been resolved within ten (10) days of their initial meeting, either party may commence the mediation procedure.

11.7.4 Mediation

At Executive Care’s option, all claims or disputes between You and any Related Party and Executive Care or its Related Parties arising out of, or in any way relating to, this Agreement, or any of the

parties' respective rights and obligations arising out of this agreement, shall be submitted first to mediation, where Executive Care's principal office is located, under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial Mediation Rules then in effect. You may not commence any action against Executive Care or its Related Parties with respect to any such claim or dispute in any court unless Executive Care fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Executive Care. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator's fees. Executive Care's rights to mediation, as set forth herein, may be specifically enforced by Executive Care. Executive Care shall not be required to first attempt to mediate a controversy, dispute or claim against You or a Related Party through mediation if such controversy, dispute or claim concerns an allegation by Executive Care that You or a Related Party have violated (or threatens to violate, or poses an imminent risk of violating): (i) any of Executive Care's federally protected intellectual property rights in the Executive Care Proprietary Marks, the Executive Care System or in any of Executive Care's Confidential Information; or (ii) any of the restrictive covenants contained in this Agreement.

11.8. Survival.

The provisions of Article 11 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

11.9. Franchisee May Not Withhold Payment Due Executive Care.

You agree that You will not, on grounds of the alleged non-performance by Executive Care of any of its obligations hereunder, or on any other grounds, withhold payment of any Royalty Fees, Technology Fee, Brand Fund contributions or any other fees due to Executive Care from You under this Agreement.

11.10. Waiver of Rights.

11.10.1 Jury Trial. The parties and their Related Parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

11.10.2 Damage Waiver. The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES; *except that* this waiver and limitation shall not apply with respect to (a) your obligation to indemnify Executive Care pursuant to any provision of this Agreement, and/or (b) any Claims Executive Care brings against You and your Related Parties and/or your guarantors for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of the non-competition covenant and any other cause of action under the Lanham Act, and Executive Care and its Related Parties shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

11.10.3 The parties hereto and each of them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION, ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, except that EXECUTIVE CARE may recover more than two (2) times its actual damages if You or your Related Parties commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

11.10.4 You hereby expressly waive any and all rights, actions or Claims for relief under the Federal Act entitled "Racketeer Influenced and Corrupt Organizations", 18 U.S.C. Section 1961, *et seq.*

11.11. Limitation of Action.

11.11.1 Except for Claims arising from your non-payment or underpayment of amounts You owe to Executive Care, Claims by Executive Care related to the insurance coverage under Section 7.7 of this Agreement, your indemnification obligations, or Claims related to your unauthorized use of the Marks, any and all Claims arising out of or related to this Agreement or the relationship of the parties will be barred unless a judicial proceeding is commenced within one (1) year from the date on which the party asserting such Claim knew or should have known of the facts giving rise to such Claims, and that any action not so brought shall be barred, whether as a Claim, counterclaim, defense or setoff.

11.11.2 You hereby acknowledge and agree that You may not maintain any litigation against Executive Care or any Executive Care Related Party unless (a) You deliver written notice of any Claim to the other party within one hundred eighty (180) days after the event complained of becomes known to You, (b) You strictly adhere to the negotiation procedures described in Section 11.7, and (c) You file a litigation action within one (1) year after the notice is delivered.

11.12. Cumulative Rights.

No right or remedy conferred upon or reserved to Executive Care or You by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

11.13. Injunctive Relief.

You recognize that You are a member of the franchise network and that your acts and omissions may have a positive or negative effect on the success of other businesses operating in the Franchise Network. You acknowledge that failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Executive Care and to some or all of the other franchisees of Executive Care. For this reason, You agree that if Executive Care can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of your breach or threatened breach of any of the terms of this Agreement, Executive Care will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage. Without limiting the generality of the foregoing, nothing herein contained shall bar Executive Care's right to obtain injunctive relief, without posting bond or security or complying with the dispute resolution process outlined in Section 11.7 above, against conduct or threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders, preliminary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement. Additionally, and without limiting the generality of the foregoing, Executive Care shall have the right to seek injunctive relief to prohibit any act or omission by You or your employees that constitute a violation of any applicable law, is dishonest or misleading to the public, or which may impair the goodwill associated with the Proprietary Marks, Trade Dress or System.

11.14. No Class or Collective Actions.

You agree that any litigation, between You and/or any of your Related Parties, on the one hand, and Executive Care and/or any Executive Care Related Party, on the other hand, will be on such party's individual Claim and that the Claim or Claims subject to litigation shall not be litigated on a class-wide, associational or collective basis.

11.15. Post-Term Applicability.

The provisions of Article 11 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected.

11.16. Attorneys' Fees and Costs.

If Executive Care commences any legal action, including any appeal, to enforce the terms and conditions of this Agreement, for violation of this Agreement, or to pursue remedies, or for violation of the Lanham Act or other similar state statute, Executive Care will be entitled to recover reasonable compensation for preparation, investigation, and defense costs, court costs, and reasonable accountants', attorneys', attorneys' assistants', and expert witness fees incurred by Executive Care. Further, if Executive Care retains legal counsel in connection with any failure by You to comply with this Agreement, You shall reimburse Executive Care for any of the above-listed costs and expenses incurred by Executive Care.

11.17. Time is of the Essence.

You and Executive Care agree that time is of the essence in Your performance of Your obligations hereunder. Any failure by You to meet the time limits imposed under this Agreement shall constitute a default under Section 10 of this Agreement, for which Executive Care may terminate this Agreement upon notice to You.

12. MISCELLANEOUS

Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

12.1. Approval and Guaranty Provision

If You are a corporation, all officers and shareholders, or, if You are a partnership, all Your general partners, or, if You are a limited liability company, all Your members, shall approve this Agreement, permit You to furnish the financial information required by Executive Care, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and the Franchised Business and limitations on their rights to compete, and sign separately a Personal Guaranty and Subordination Agreement, guaranteeing Your payments and performance. Where required to satisfy our standards of creditworthiness, or to secure the obligations made under this Agreement, Your spouse, or the spouses of Your Related Parties, may be asked to sign the Personal Guaranty and Subordination Agreement. Our form of Personal Guaranty and Subordination Agreement appears as Exhibit 5 to this Agreement.

12.2. Acceptance by Executive Care

This Agreement will not be binding on Executive Care unless and until an authorized officer of Executive Care has signed it.

12.3. Receipt

The undersigned acknowledges receipt of this Agreement and the Franchise Disclosure Document, with any amendments and exhibits, at least fourteen (14) calendar days (unless otherwise required by applicable law) before execution of this Agreement or Your payment of any monies to us, refundable or otherwise.

12.4. Execution of Agreement

Each of the undersigned parties warrants that it has the full authority to sign this Agreement. If You are a partnership, limited liability company or corporation, the person executing this agreement on behalf of such partnership, limited liability company or corporation warrants to us, both individually and in his capacity as partner, client, manager or officer, that all of the partners of the partnership, all of the clients or managers of the limited liability company, or all of the shareholders of the corporation, as applicable, have read and approved this Agreement, including any restrictions which this Agreement places upon rights to transfer their interest in the partnership, limited liability company or corporation. If You are a partnership, limited liability company or corporation, You acknowledge that the Business Entity Information contained in Exhibit 6 is full, complete and accurate.

12.5. No Personal Liability

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Executive Care's sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to You for any reason.

12.6. Non-Uniform Agreements

Executive Care makes no representations or warranties that all other agreements with Executive Care System franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. You recognize, acknowledge and agree that Executive Care may waive or modify comparable provisions of other franchise agreements granted to other System franchisees in a non-uniform manner.

12.7. General Release

You and Your owners unconditionally and irrevocably release and discharge Executive Care and our past and present Related Parties from any and all Claims whether known or unknown, suspected or unsuspected, which You or Your Related Parties ever had, now have, or may have against Executive Care and our Related Parties including, without limitation, Claims arising out of or in any way connected to or involved with or under the business relationship between the parties, any franchise agreement executed between You and Executive Care, and any sublease or sublicense agreement executed between You and Executive Care, and any purchase of product, fixtures, rent payments, license fee or other items for which You and/or Your Related Parties have purchased or paid. You and Your Related Parties represent and warrant that You and they have not assigned, sold, or otherwise conveyed any such Claims as described herein. The parties further acknowledge and agree that this release does not apply to this Agreement or the

offer or sale of this Agreement.

[Signature Page Follows]

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed this Agreement on the date set forth in Section 1 hereof.

**FRANCHISOR:
Executive Home Care Franchising, LLC**

By: _____

Title: _____

Signature: _____

Delivery Address: Executive Home Care Franchising, LLC
8100 E. Indian School Road, Suite 201
Scottsdale, AZ 85251

FRANCHISEE:

By: _____

Title: _____

Signature: _____

Address: _____

Delivery Address for Notices (pending determination of the Approved Office Location)

EXHIBIT 1

APPROVED TERRITORY

APPROVED TERRITORY: An area that contains a population of approximately 300,000 people. We will determine Your Approved Territory using the mapping service of our choice, including, without limitation, GOOGLE® maps, MAPQUEST® or YAHOO® maps (as we select).

We may grant You an approved territory of less than 500,000 people based on the demographics of the area in which You wish to operate Your Franchised Business pursuant to Exhibit 8.

APPROVED OFFICE LOCATION:

A map of the Approved Territory is attached as Exhibit 1.A.

Initial: _____
Franchisee

Date: _____

Initial: _____
Franchisee

Date: _____

EXHIBIT 2

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENT
(ELECTRONIC FUNDS TRANSFER/DIRECT DEBITS)

The undersigned depositor (“Depositor”) authorizes Executive Home Care Franchising, LLC (“Executive Care”) to request debit entries and/or credit correction entries to the Depositor’s checking and/or savings account(s) indicated below and the depository (“Depository”) to debit the account according to Executive Care’s instructions.

_____	_____
_____	_____
Depository	Branch
_____	_____
Street Address, City, State, Zip Code	
_____	_____
_____	_____
Bank Transit/ABA Number	Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from Executive Care and Depositor of the Depositor’s termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give Executive Care and Depositor thirty (30) days’ prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor’s account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty-five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor

By: _____
Title: _____
Date: _____

Depositor

By: _____
Title: _____
Date: _____

Please attach a voided check for the account from which funds will be withdrawn. If the account is not established at the time of signing, a check will be required prior to the commencement of operations.

Initial: _____
Franchisee
Date: _____

Initial: _____
Executive Home Care Franchising, LLC
Date: _____

EXHIBIT 3

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

This Conditional Assignment of Telephone Numbers and Listings (the "Assignment") is entered into this _____ day of _____, 20____ ("Effective Date") in accordance with the terms of the Franchise Agreement ("Franchise Agreement") between Executive Home Care Franchising, LLC ("Franchisor") and _____ ("Franchisee"), executed concurrently with this Assignment and under which Franchisor granted Franchisee the right to own and operate an *Executive Care Your Home Care Company*® franchised business located at _____ (the "Franchised Business").

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Franchisee hereby agrees as follows:

1. **Conditional Assignment of Listings.** Franchisee hereby conditionally assigns to Franchisor all of Franchisee's right, title and interest in and to (a) all telephone numbers and regular yellow pages, special, classified and other telephone directory listings used at any time in connection with the operation of the Franchised Business; and (b) any and all website and social media addresses and accounts, including, without limitation, Facebook®, Twitter®, LinkedIn®, and any other account that contains any term or any mark the same as or similar to any of Franchisor's trademarks (individually and collectively, the "Listings"). The Listings shall include the following telephone numbers:

2. **No Liability.** This Assignment is for collateral purposes only, and except as expressly provided herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless and until Franchisor notifies the telephone company, listing agency and/or webmaster/webhost (each a "Listing Agency"), as applicable.

3. **Effectiveness of Assignment.** This Assignment will become effective automatically upon expiration (provided that Franchisee has not obtained a renewal of the Franchise Agreement) or the earlier termination of the Franchise Agreement. Upon the occurrence of that condition, Franchisee must do all things required by the applicable Listing Agency to assure the effectiveness of the assignment set forth herein as if the Franchisor had been originally issued the Listings, and the usage thereof.

4. **Responsibility of Franchisee.** Franchisee agrees to pay the Listing Agencies on or before the effective date of assignment all amounts owed for the use of Listing(s). Franchisee further agrees to indemnify Franchisor for any sums Franchisor must pay any Listing Agency to effectuate this assignment and agrees to fully cooperate with the Listing Agency and Franchisor in effectuating this assignment.

5. **Franchisee Acknowledgments.** Franchisee agrees and acknowledges that as between Franchisor and Franchisee, Franchisor shall have the sole right to and interest in and to the Listings upon termination or expiration of the Franchise Agreement. Franchisee appoints Franchisor as Franchisee's true and lawful attorney-in-fact to direct the Listing Agency to assign same to Franchisor and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event Franchisee shall immediately instruct the applicable Listing Agency to assign the applicable Listing to Franchisor, and /or to assign the Listing account to Franchisor. If Franchisee fails to promptly do so, Franchisor shall direct the appropriate parties to effectuate the assignment contemplated hereunder to Franchisor.

6. Attorney in Fact. The parties agree that the Listing Agency may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings and that such assignment shall be made automatically and effective immediately upon the Listing Agency's receipt of notice from Franchisor or Franchisee. The parties further agree that if the Listing Agency requires that the parties execute an assignment form or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Assignment as of the date of the Franchise Agreement.

ASSIGNOR

By: _____

Print Name: _____

Title: _____

ASSIGNEE:

EXECUTIVE HOME CARE FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

CONDITIONAL ASSIGNMENT OF FRANCHISED BUSINESS LICENSES

This Conditional Assignment of Franchised Business Licenses (the “Assignment”) is entered into this _____ day of _____, 20____ (“Effective Date”) in accordance with the terms of the Franchise Agreement (“Franchise Agreement”) between Executive Home Care Franchising, LLC (“Franchisor”) and _____ (“Franchisee”), executed concurrently with this Assignment and under which Franchisor granted Franchisee the right to own and operate an *Executive Care Your Home Care Company*® franchised business located at _____ (the “Franchised Business”).

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Franchisee hereby agrees as follows:

1. Conditional Assignment of Licenses. Franchisee hereby conditionally assigns and transfers to Franchisor or its designee any and all of Franchisee’s right, title and interest in and to: (a) any and all home health care licenses obtained by Franchisee in connection with the operation of the Franchised Business; and (b) any and all other licenses, including business licenses, obtained by Franchisee in connection with the operation of the Franchised Business (collectively, the “Franchised Business Licenses”). Notwithstanding anything contained herein to the contrary, this Assignment shall be subject to any limitations on transferability if any of the Franchised Business Licenses imposed by any federal or state law, rule or regulation.

2. No Liability. This Assignment is for collateral purposes only, and except as expressly provided herein, Franchisor and its designee, if applicable, shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment.

3. Effectiveness of Assignment. This Assignment will become effective automatically upon expiration (provided that Franchisee has not obtained a renewal of the Franchise Agreement) or the earlier termination of the Franchise Agreement. Upon the occurrence of that condition, Franchisee must do all things required by the applicable licensing agency (each a “Licensing Agency”) to assure the effectiveness of the assignment set forth herein as if the Franchisor or its designee had been originally issued the Franchised Business Licenses, and the usage thereof.

4. Responsibility of Franchisee. Franchisee agrees to pay the Licensing Agencies on or before the effective date of assignment all amounts owed in connection with the Franchised Business Licenses. Franchisee further agrees to indemnify Franchisor and its designee for any sums Franchisor and/or its designee must pay any Licensing Agency to effectuate this assignment, and agrees to fully cooperate with the Licensing Agency, Franchisor and its designee in effectuating this assignment.

5. Franchisee Acknowledgments. Franchisee agrees and acknowledges that as between Franchisor and Franchisee, Franchisor or its designee shall have the sole right to and interest in and to the Franchised Business Licenses upon termination or expiration of the Franchise Agreement. Franchisee appoints Franchisor as Franchisee’s true and lawful attorney-in-fact to direct the Licensing Agency to assign same to Franchisor or its designee and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event Franchisee shall immediately instruct the applicable Licensing Agency to assign the applicable Franchised Business License to Franchisor or its designee. If Franchisee fails to promptly do so, Franchisor shall direct the appropriate parties to effectuate the assignment contemplated hereunder to Franchisor.

6. Attorney in Fact. The parties agree that the Licensing Agency may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s or its

designee's exclusive rights in and to the Franchised Business License and that such assignment shall be made automatically and effective immediately upon the Licensing Agency's receipt of notice from Franchisor or Franchisee. The parties further agree that if the Licensing

Franchised Business requires that the parties execute an assignment form or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's or its designee's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

ASSIGNOR

By: _____

Print Name: _____

Title: _____

ASSIGNEE:

EXECUTIVE HOME CARE FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

EXHIBIT 4

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) hereby assigns and transfers to Executive Home Care Franchising, LLC (“Assignee”), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the “Lease”) respecting premises commonly known as _____ (the “Premises”).

This Assignment is for collateral purposes only and except as specified herein, Assignee has no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless: (i) Assignee provides express, written notice to both Assignor and the landlord of the Premises under the Lease that Assignee is assuming all of Assignor’s rights, title and interest under the Lease pursuant to this assignment; and (ii) Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof, and assumes the obligations of Assignor thereunder.

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

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

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it must elect and exercise all options to extend the term of or renew the Lease not less than 120 days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

Dated: _____

LANDLORD'S CONSENT

The Landlord and Tenant acknowledge that the subject Premises are being leased to operate an Executive Home Care franchise. The Landlord agrees that in the event the Franchise Agreement between the Tenant and Executive Home Care Franchising, LLC, should terminate for any reason, that Executive Home Care Franchising, LLC shall have the right, but is not required to, assume the balance of this lease and exercise any renewal options contained herein by giving a minimum of 10 days' notice to Landlord. This assumption of lease shall apply to future lease obligations only and shall not relieve the Tenant from any obligations prior to this assumption between the Tenant and the Landlord. The Tenant hereby agrees that this assumption provision shall be exercisable by Executive Home Care Franchising, LLC, giving written notice to the Landlord of the assumption under this provision and the Tenant hereby releases Landlord from any liability or claims related to the exercise of this assumption by Executive Home Care Franchising, LLC.

The Landlord further agrees that any attempt by Tenant to sell, transfer, or assign their interest in the leasehold without the consent of Executive Home Care Franchising, LLC, will not be allowed. Landlord further agrees not to interfere with the obligations and restrictions imposed on the Franchisee by the Franchisor as it relates to the operation of the business.

Dated: _____

By: _____
Landlord

Leased Location:

Acknowledged:

Franchisee

EXHIBIT 5

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

THIS NONDISCLOSURE AND NONCOMPETITION AGREEMENT (this "Agreement") is entered into as of the _____ day of _____, 20____, by the undersigned individual (the "Confidant") for the benefit of Executive Home Care Franchising, LLC ("Executive Care"), and if applicable, _____, an Executive Care Franchisee (the "Franchisee") under that certain Franchise Agreement dated as of the _____ day of _____, 20 (the "Franchise Agreement"), whereby Franchisor granted a license to Franchisee to use the EXECUTIVE CARE YOUR HOME CARE COMPANY® trade name and trademarks (collectively, the "Marks") in connection with operating a business that provides in-home comprehensive care to home care clients, and that markets and provides supplemental healthcare staff to institutional clients (the "Franchised Business") using the methods developed by Executive Care (the "System"). All capitalized terms not defined herein have the meanings set forth in the Franchise Agreement.

RECITALS:

- A. The Confidant is an owner, officer and/or director, or manager or other key employee of Franchisee.
- B. Given Confidant's position with Franchisee, Confidant will be in a position of trust and confidence and will have access to and will receive certain Confidential Information and Trade Secrets of Executive Care.
- C. The Confidant consequently agrees that it is reasonable and necessary for the protection of the System and for the benefit of Executive Care, ^{Exhibit 7} and if applicable, Franchisee, to keep the Confidential Information and Trade Secrets confidential and not to compete with any Executive Care Business, all pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, and as an inducement to Executive Care to divulge Confidential Information and Trade Secrets to the Confidant, or to enter into a Franchise Agreement with Franchisee, and/or in consideration of the Confidant's relationship with Franchisee, the Confidant agrees as follows:

1. **Nondisclosure of Trade Secrets and Confidential Information**

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of Executive Care to any other person or entity unless authorized in writing by Executive Care. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that Executive Care considers being a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to Executive Care, including all ideas made or conceived by Confidant. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information and/or Trade Secrets in limited circumstances, as specified in the Executive Care's Operations Manual.

2. **Definition of Trade Secrets and Confidential Information**

For purposes of this Agreement, the terms “Trade Secrets” and “Confidential Information” mean any knowledge, techniques, processes or information made known or available to Confidant that Executive Care treats as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, client lists, manuals and instructional materials describing Executive Care’s methods of operation, including Executive Care’s Operations Manual; drawings, designs, plans, proposals, and marketing plans; all concepts or ideas in, or reasonably related to Executive Care’s business that have not previously been publicly released by Executive Care; and any other information or property of any kind of Executive Care that may be protected by law as a Trade Secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of Executive Care.

3. **Return of Proprietary Material**

Upon termination of the Franchise Agreement, the Confidant’s ownership interest in Franchisee, or Confidant’s employment with Franchisee, Confidant shall surrender to Executive Care all materials considered proprietary by Executive Care, technical or non- technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or conduct of the operations of Executive Care. Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of Executive Care.

4. **Solicitation of Employees / Clients**

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of Executive Care, or the competitor’s franchisees, or the competitor’s subsidiaries, the name of any person who is employed by Executive Care or by any franchisee of Executive Care, or any client or referral source information.

5. **Noncompetition**

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to Executive Care, Confidant will not, until the expiration of two (2) years after the termination of the Franchise Agreement, the Confidant’s ownership interest in Franchisee, or Confidant’s employment with Franchisee that Confidant will not: (a) engage, directly or indirectly, or through any corporations, limited liability companies, partnerships, or Related Parties, in any Competitive Business that is (i) located at the Approved Office Location; (ii) located at or providing services within the Approved Territory; or (iii) located at or providing services within any other Executive Care franchisee’s approved territory; or (b) solicit any person who was a client or referral source of the Franchised Business or who was a client or referral source of the Franchised Business at any time during the three (3) year period before the termination of the Franchise Agreement, the Confidant’s ownership interest in Franchisee, or Confidant’s employment with Franchisee for the purpose of selling them or obtaining referrals for any service the Franchised Business was authorized to sell pursuant to the Franchise Agreement.

The term “Competitive Business” shall mean any business which offers in-home personal care, in-home companionship, medication reminders, in-home registered nurses’ services, in-home health aid services, supplemental healthcare staffing, or any combination of two (2) or more of the following services to the same client: in-home meal preparation, personal scheduling, light in-home housekeeping and health consulting.

6. **Saving Provision**

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and Executive Care. However, Confidant and Executive Care are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and Executive Care agree that if a court or arbitrator declines to enforce the provisions of the preceding paragraph, that paragraph shall be considered modified to restrict Confidant's competition with Executive Care to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

7. **Irreparable Harm to Executive Care**

Confidant understands and agrees that Executive Care will suffer irreparable injury that cannot be precisely measured in monetary damages to its Trade Secrets and Confidential Information if its Trade Secrets or Confidential Information is obtained by any person, firm or corporation and is used in competition with Executive Care. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of Executive Care for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant consents to entry of a restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

8. **Binding Effect**

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed by these persons.

9. **Applicable Law**

The laws of the state where Confidant lives will govern the validity of this Agreement. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

10. **Third Party Beneficiary**

Confidant and Franchisee acknowledge and agree that in the event this Agreement is not signed by Executive Care that, Executive Care is a third-party beneficiary under the terms of this Agreement.

[Signatures on following page.]

CONFIDANT

[Name of Confidant]

By: _____
[Confidant's signature]

[Name of Confidant]

By: _____
[Confidant's signature]

[Name of Confidant]

By: _____
[Confidant's signature]

ACCEPTED BY:

(Executive Care or Franchisee)

By: _____

Its: _____

Date: _____

EXHIBIT 6

IF FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE AND FRANCHISEE'S SPOUSE MUST SIGN THE FOLLOWING AGREEMENT. IF FRANCHISEE IS A CORPORATION, PARTNERSHIP, OR LIMITED LIABILITY COMPANY, EACH OFFICER, SHAREHOLDER, GENERAL PARTNER, OR MEMBER (AS APPLICABLE), AND THEIR SPOUSES (AS APPLICABLE) MUST SIGN THE FOLLOWING AGREEMENT:

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

The following persons: _____
(individually and collectively, the "undersigned" or "Guarantor"), to induce Executive Home Care Franchising, LLC ("Executive Care" or "Franchisor") to enter into or permit assignment of a certain EXECUTIVE CARE YOUR HOME CARE COMPANY® Franchise Agreement, dated _____ (the "Franchise Agreement") with _____ ("Franchisee"), hereby unconditionally, personally, jointly and severally, agrees to be bound by all of the obligations of Franchisee under the Franchise Agreement, including any amendments thereto or renewals thereof, whenever made, and absolutely, irrevocably and unconditionally guarantees to Executive Care and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed. The undersigned acknowledges and agrees that Franchisor has entered into the Franchise Agreement with Franchisee solely on the condition that each owner of Franchisee, and each owner's spouse, be personally obligated and jointly and severally liable with Franchisee (and with each other owner of Franchisee) for the performance of each and every obligation of Franchisee (and its owners) under: (i) the Franchise Agreement, including any amendments thereto or extensions or renewals thereof, and (ii) each and every other agreement entered into by Franchisee in connection with the Franchise Agreement (the Franchise Agreement and all aforementioned agreements are collectively referred to as the "EC Agreements"). Without limiting the generality of the foregoing, the undersigned acknowledge and agree that each individual is personally bound by the confidentiality restrictions, the covenant against competition, and the indemnification obligations set forth in the Franchise Agreement.

The undersigned expressly waives notice of the acceptance by Executive Care to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to Executive Care, and any other notices and demands.

This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Executive Care and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals.

The obligations of the undersigned will be absolute and unconditional in spite of any defect in the validity of the Franchisee's obligations or liability to Executive Care, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by Executive Care of whatever remedies it may have

against the Franchisee or others, or the enforcement of any lien or realization upon any security Executive Care may at any time possess. Without limiting the foregoing, upon default by Franchisee or notice from Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under the EC Agreements. The undersigned acknowledges that Franchisor is not required to proceed first against the Franchisee but may proceed first against the undersigned or any of them alone or concurrent with proceeding against Franchisee.

The undersigned hereby waives the following: (i) notice of amendment of the EC Agreements and notice of demand for payment or performance by Franchisee of any obligation under the EC Agreements; (ii) presentment or protest of any instrument and notice thereof, and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of Franchisee's obligations under the EC Agreements; (iii) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; (iv) the defense of statute of limitations in any action hereunder or for the collection or performance of any obligation; (v) any and all rights to payments, indemnities and Claims for reimbursement or subrogation that the undersigned may have against Franchisee arising from the undersigned's execution of and performance under this Personal Guaranty; (vi) any defense based on any irregularity or defect in the creation of any of the obligations or modification of the terms and conditions of performance thereof; (vii) any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by Franchisee or any other party; and (viii) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned agree that any current or future indebtedness by Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to Franchisor. The undersigned will promptly modify any financing statements on file with state agencies to specify that Franchisor's rights are senior to those of Guarantor.

The undersigned further agree that as long as Franchisee owes any money to Franchisor (other than royalty and Brand Fund payments that are not past due) Franchisee may not pay and the undersigned may not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of Franchisor. In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

The undersigned jointly and severally agree to pay all attorneys' fees, costs and expenses (including any and all Royalty Fees and Advertising Fees and associated interest on such amounts, that are determined to be owing to Franchisor due to underreporting by Franchisee) incurred by Franchisor in enforcing this Personal Guaranty, whether or not suit or arbitration action is filed, and if suit or arbitration action is filed, then through trial or arbitration, as applicable, and all appeals, and also in any proceedings or matter in Bankruptcy Court, and to assume all liability for all losses, costs, attorneys' fees, and expenses that Franchisor incurs as a result of a default by Franchisee, including those fees and expenses incurred in a bankruptcy proceeding involving Franchisee.

The undersigned hereby waive any right to trial by jury that they may have in any action brought by Franchisor related, directly or indirectly, to this Personal Guaranty and/or the EC Agreements, or the negotiation of the Personal Guaranty and/or the EC Agreements. The undersigned hereby acknowledge that this Personal Guaranty does not grant or create in the undersigned any interests, rights or privileges in the EC Agreements, or any other franchise or franchise agreement.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the EC Agreements, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned have signed this Personal Guaranty.

GUARANTORS:

By: _____

Print Name: _____, individually

By: _____

Print Name: _____, individually

Dated: _____

EXHIBIT 7

STATEMENT OF OWNERSHIP INTEREST IN FRANCHISEE

Franchisee is a (circle/underline one):

Partnership

Corporation

Limited Liability Company

Please complete the following table by listing the name, principal address, title, and percentage ownership interest of all parties who have an interest in Franchisee:

Name	Address	Title	Percentage Ownership Interest

RESPONSIBLE OWNER:

Name: _____

Address: _____

Percentage Ownership in Franchisee: _____

Franchisee's principal place of business is located at:

Franchisee was formed on _____ [date] in the State of _____

Initial: _____

Franchisee

Date: _____

Initial: _____

Executive Home Care Franchising, LLC

Date: _____

EXHIBIT 8

SBA ADDENDUM RELATING TO
EXECUTIVE CARE YOUR HOME CARE COMPANY® FRANCHISE AGREEMENT

EXHIBIT 9

~~THIS AGREEMENT MAY NOT APPLY TO YOU;
DO NOT EXECUTE THIS DOCUMENT UNLESS REQUESTED BY EXECUTIVE CARE.~~

WAIVER OF APPROVED TERRITORY

~~In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the “Agreement”), Executive Home Care Franchising, LLC (“Franchisor” or “Executive Care”), and each of the undersigned (“Franchisee(s)” or “You”), hereby acknowledge as follows:~~

~~1. **Waiver of Approved Territory.**~~

~~Executive Care has offered to grant You an Approved Territory of _____.~~

~~However, You have requested that Executive Care approve a location within the metropolitan area of (“Metropolitan Area”), with a population of _____, for which Your Approved Territory will be reduced to _____.~~

~~2. **Acceptance of Metropolitan Area Approved Territory.**~~

~~In consideration for Executive Care’s approval of the Approved Office Location within the Metropolitan Area, You hereby unconditionally consent to an approval Territory of _____.~~

~~3. **Acceptance of Approved Territory.**~~

~~As a result of the forgoing, You agree that Exhibit 1 of Your franchise agreement shall be modified such that Executive Care grants You and You accept the Approved Territory of _____, which will be based on the area that is within a _____ from Your approved site. The _____ Approved Territory will be determined using either _____, GOOGLE® maps, MAPQUEST® or YAHOO® maps or other similar program (as we select) as such maps exist on the date that Your site is approved. You will operate from one location approved by us.~~

By: _____

Print Name: _____

Dated:

EXHIBIT “B-1”
AUDITED FINANCIAL STATEMENTS

EHC Holding Company, LLC and Subsidiaries

Consolidated Financial Report
December 31, 2023

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated balance sheets	3
Consolidated statements of operations	4
Consolidated statements of changes in members' equity	5
Consolidated statements of cash flows	6-7
Notes to consolidated financial statements	8-21



RSM US LLP

Independent Auditor's Report

Board of Directors
EHC Holding Company, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of EHC Holding Company, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in members' equity, and cash flows for the years ended December 31, 2023 and 2022, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Detroit, Michigan
April 18, 2024

EHC Holding Company, LLC and Subsidiaries

**Consolidated Balance Sheets
December 31, 2023 and 2022**

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,258,464	\$ 7,906,497
Accounts receivable, net allowance for credit losses	1,950,265	595,028
Inventory	47,089	-
Prepaid expenses and other current assets	490,729	146,386
Total current assets	10,746,547	8,647,911
Property, plant, and equipment, net	2,039,654	1,671
Other assets:		
Operating lease right-of-use assets, net	1,025,134	121,846
Goodwill, net	48,652,991	16,450,078
Intangibles, net	31,456,699	5,157,183
Other assets	129,180	131,896
Contract costs	12,163,663	1,865,412
Total other assets	93,427,667	23,726,415
Total assets	\$ 106,213,868	\$ 32,375,997
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	\$ 972,368	\$ 391,621
Accrued expenses	964,767	1,230,707
Current portion of deferred franchise fees	2,422,957	422,746
Current portion operating lease liabilities	198,150	29,701
Total current liabilities	4,558,242	2,074,775
Deferred franchise fees, net of current portion	16,479,272	4,869,898
Operating lease liability, net of current portion	834,044	95,071
	17,313,316	4,964,969
Total liabilities	21,871,558	7,039,744
Members' equity	84,342,310	25,336,253
Total liabilities and members' equity	\$ 106,213,868	\$ 32,375,997

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

**Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022**

	2023	2022
Revenues:		
Franchise fee revenue	\$ 6,507,714	\$ 2,171,527
Support services	666,668	-
Total revenues	7,174,382	2,171,527
Operating expenses:		
Cost of services	306,538	-
General and administrative expenses	5,531,685	2,986,145
Payroll and benefits	3,885,484	1,755,242
Transaction expenses	1,579,290	1,502,800
Amortization and depreciation expense	3,040,926	919,800
Other operating expenses	546,426	15,406
Total operating expenses	14,890,349	7,179,393
Net loss	\$ (7,715,967)	\$ (5,007,866)

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

**Consolidated Statements of Changes in Members' Equity
Years Ended December 31, 2023 and 2022**

Balance, January 1, 2022	\$ 7,844,119
Contributed capital	22,500,000
Net loss	<u>(5,007,866)</u>
Balance at December 31, 2022	25,336,253
Contributed capital	66,722,024
Net loss	<u>(7,715,967)</u>
Balance at December 31, 2023	<u>\$ 84,342,310</u>

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net loss	\$ (7,715,967)	\$ (5,007,866)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,040,926	919,800
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	146,847	(453,957)
Prepaid expenses and other current assets	(235,413)	(44,821)
Other assets	2,716	(6,575)
Contract costs	(1,143,324)	(117,661)
Accounts payable and accrued expenses	(538,706)	142,018
Deferred franchise fees	1,532,134	300,099
Operating lease assets and liabilities	95,605	2,926
Net cash used in operating activities	(4,815,182)	(4,266,037)
Cash flows from investing activities:		
Acquisition of businesses, net of cash acquired	(46,199,803)	(13,055,236)
Purchase of intangible assets	-	(40,512)
Purchase of property and equipment	(1,355,072)	(1,270)
Net cash used in investing activities	(47,554,875)	(13,097,018)
Cash flows from financing activities:		
Proceeds from capital contributions	52,722,024	20,000,000
Net cash provided by financing activities	52,722,024	20,000,000
Net increase in cash and cash equivalents	351,967	2,636,945
Cash and cash equivalents, beginning	7,906,497	5,269,552
Cash and cash equivalents, ending	\$ 8,258,464	\$ 7,906,497

(Continued)

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

Years Ended December 31, 2023 and 2022

	2023	2022
Supplemental schedule of noncash operating, investing and financing activities:		
Acquisition of businesses:		
Assets acquired	\$ 40,044,046	\$ 7,257,883
Liabilities assumed	(13,661,493)	(5,078,960)
Net identifiable assets acquired	26,382,553	2,178,923
Goodwill	34,390,411	14,545,344
Net assets acquired	60,772,964	16,724,267
Less cash acquired	(992,260)	(620,715)
Add due from seller	419,099	45,924
Less contingent consideration	-	(594,240)
Less units issued as consideration	(14,000,000)	(2,500,000)
Cash purchase price	\$ 46,199,803	\$ 13,055,236

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of business: EHC Holding Company, LLC and Subsidiaries (the Company) through its wholly owned subsidiaries, including Executive Home Care Franchising, LLC (EH), ALL Franchising, LLC (ALL), ALL Licensing, LLC (Licensing), B&P Burke, LLC (Grasons), Brothers Franchising, LLC (Brothers), and Brothers That Just do Gutters, LLC (BG).

EH is a franchisor that provides home care services to the elderly, physically handicapped and injured, allowing them to live at home. Executive Homecare began operations in 2004.

ALL is a franchisor that provides senior care placement and referral service for in-home companion care, independent retirement options, assisted living, memory care, and skilled nursing facilities. Assisted Living Locators began operations in 2006 and provides services nationwide.

Licensing is an operating company that owns technology used by ALL.

Grasons is a franchisor that provides services for estate sales and business liquidation services. Grasons was established in 2011 and conducts operations from its principal office in California.

Brothers is a franchisor that provides services associated with gutter installation, repair, and maintenance.

BG operates a Brothers franchise.

Significant accounting policies:

Basis of presentation: The consolidated balance sheets is presented as of December 31, 2023 and 2022. The consolidated statements of operations, changes in members' equity, and cash flows are presented for the years ended of December 31, 2023 and 2022. The accompanying consolidated financial statements of the Company include its wholly owned subsidiaries.

All intercompany transactions have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification (ASC).

Revenue recognition policy: The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as performance obligations are satisfied.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Nature of services - The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) preopening services, such as training, (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities). Revenue earned from providing the services is collectively referred to as franchise fee revenue.

The Company's franchise fee revenue includes franchise royalties, franchise fees, advertising fund contributions and support services performed for franchisees. Initial franchise fees are based on the market type selected and are paid at the time an individual franchise agreement is signed.

The Company also operates a franchise location. The revenue for this consists of revenue recognized at a point in time as the service is completed.

Payment terms - The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees, sales-based royalties, and fees for administrative services performed for the franchisee.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Revenue recognition - Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning when the agreement is signed. Franchise agreements typically have a term of 10 years with the option to renew for an additional five years if the franchisee is in compliance with the terms of the franchise agreement.

Continuing royalties are calculated as a percentage of franchisees' reported sales that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration, but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchisee sales occur. Advertising contributions received from the Company's franchisees are recorded as a component of franchise fee revenue in the consolidated statements of operations.

Contract balances - The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred franchise fees) also is recorded. Revenue is recognized on a straight-line basis over the life of the franchise agreement.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Commission costs - The Company defers those direct and incremental costs associated with the sale of franchises. Contract costs are charged to earnings when the related deferred franchise and territory fees are recognized as revenue over the term of the respective agreement. The Company has determined the period of benefit for direct and incremental costs associated with the sale of franchises to be the initial term of the franchise agreement. Expense is recognized on a straight-line basis commensurate with the pattern of revenue recognition. Contract costs are recorded in other assets in the accompanying consolidated balance sheets.

Advertising funds - The Company collects funds from its franchisees for advertising pursuant to the Company's franchise agreements at a percentage of franchisee sales. These advertising services are not considered distinct because they are highly dependent and interrelated to the franchise right. Advertising contributions are considered part of the transaction price for the franchise right and recognized as revenue as the underlying sales occur. The advertising costs incurred for franchisees will be expensed in accordance with the Company's normal policy.

Cash and cash equivalents: The Company considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. Cash equivalents consist of money market accounts.

Accounts receivable: Accounts receivables represent amounts due from franchisees pursuant to their individual franchise agreements. Accounts receivables are stated at historical value which approximates fair value. The allowance for credit losses on accounts receivables represents the Company's estimate of expected credit losses over the lifetime of the receivables. This estimation process is based on historical experience, current conditions, asset-specific risk characteristics and reasonable and supportable forecasts about future economic and market conditions. Accounts receivables are written off when deemed uncollectible. Recoveries of royalty receivables previously written off are recorded when received. The allowance for credit loss was approximately \$144,000 and \$37,000 for the years ended December 31, 2023 and 2022, respectively. The Company will continue to monitor and evaluate the adequacy of the allowance for credit losses on accounts receivable on a regular basis and make adjustments as necessary in response to changes in economic conditions and credit quality indicators.

The Company adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, on January 1, 2023. This accounting standard requires companies to measure expected credit losses on financial instruments based on the total estimated amount to be collected over the lifetime of the instruments which would include accounts receivables. Prior to the adoption of this accounting standard, the Company recorded incurred loss reserves against account receivable balances based on current and historical information. The adoption of this ASU did not have a material effect on the Company's financial statements.

Concentration of credit risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company grants credit to its franchisees and customers. Consequently, the Company's ability to collect the amounts due from franchisees and customers is affected by economic fluctuations. The Company routinely assesses the financial strength of its franchisees and customers and believes that its accounts receivable credit risk exposure is limited.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Software development costs: Costs for software developed for internal use are accounted for in accordance with ASC 350, Intangibles—Goodwill and Other - Internal-Use Software. ASC 350 requires the capitalization of certain costs incurred in connection with developing or obtaining internal-use software. In accordance with ASC 350, the Company expenses costs incurred in the preliminary project stage of developing or acquiring internal use software, such as research and feasibility studies, as well as costs incurred in the post-implementation/operational stage, such as maintenance and training. Capitalization of software development costs occurs only after the preliminary project stage is complete, management authorizes the project, and it is probable that the project will be completed and the software will be used for the function intended. Costs associated with the purchase and development of computer software are capitalized and amortized on a straight-line basis over the estimated useful life of the related asset. Software development costs are recorded in property and equipment in the accompanying consolidated balance sheets. The Company capitalized software development costs of approximately \$1,271,000 and \$0 for the years ended December 31, 2023 and 2022, respectively.

Property and equipment: Property and equipment are stated at cost, net of accumulated depreciation and amortization. Expenditures for additions and improvements are capitalized while maintenance and repair expenditures are charged to operations as incurred. When assets are sold or otherwise retired from service, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations. Depreciation and amortization is computed using the straight-line method. Property and equipment have estimated useful lives of three to ten years. Depreciation expense for the years ended December 31, 2023 and 2022, was approximately \$98,000 and \$700, respectively.

Goodwill and intangibles: Goodwill is recognized for the excess of the fair value of an acquired business over the fair value of the identifiable net assets acquired. Under ASC 350, Intangibles—Goodwill and Other, the Company elected the accounting alternative to amortize goodwill on a straight-line basis over 10 years.

The Company has elected the provisions of ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. ASU 2014-18 specifies that a private company that elects the accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements.

The Company tests its recorded goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, significant negative industry or economic trends and a sustained period where market capitalization, plus an appropriate control premium, is less than member's equity. Goodwill is tested using a fair-value approach at the entity level. No indicators of impairment were identified for the years ended December 31, 2023 and 2022.

Intangible assets include franchise agreements, trade names, and developed technology. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range between five to 14 years.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If impairment is considered, recoverability of these assets is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount of which the carrying amount of the asset exceeds the fair value of the asset. No impairment loss has been recognized by the Company as of December 31, 2023 and 2022.

Leases: In February 2016, the FASB issued ASC 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. ASC 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in ASC 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted ASC 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Company has applied ASC 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC 840, Leases.

The Company elected the package of practical expedients under the transition guidance within ASC 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the hindsight practical expedient, and therefore measured the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of ASC 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election available under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of ASC 842).

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its various asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of ASC 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately \$153,000 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

Fair value measurements: The Company uses the fair value measurement and disclosure guidance for all assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that management believes market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
- Level 2:** Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3:** Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

Income taxes: As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective percentage ownership. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statements of operations.

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed, and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2023 and 2022.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: The Company evaluated subsequent events for potential required disclosure through April 18, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2. Acquisition of Businesses

Assisted Living Locators: On August 24, 2022, the Company acquired ALL and Licensing. ALL is a franchisor and the franchises provide senior placement and referral services. Licensing is an operating company that owns technology used by ALL. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of ALL and Licensing, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the ALL's and Licensing's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, ALL's and Licensing's presence in the marketplace and their long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	\$ 10,604,497
3,409 Class A shares of EHC Holding Company, LLC	2,500,000
Total invested capital	<u>\$ 13,104,497</u>
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	\$ 554,552
Receivables	90,587
Prepaid assets	63,265
Contract assets	1,535,871
Intangible assets	4,212,000
Other asset	20,232
Accounts payable	(198,630)
Accrued expenses and other liabilities	(246,569)
Contract liabilities	(4,004,575)
Total identifiable net assets acquired	<u>2,026,733</u>
Goodwill	<u>11,077,764</u>
	<u>\$ 13,104,497</u>

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Acquisition of Businesses (Continued)

The fair value of the 3,409 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

Transaction expenses of approximately \$1,077,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the \$4,212,000 of identified intangible assets, \$2,736,000 was assigned to franchise agreements, \$1,034,000 was assigned to trade name, and \$442,000 was assigned to developed technology. Each were determined to have useful lives of 10 years, 14 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.45 years. Franchise agreements, trade names, and developed technology were valued using the multiperiod excess earnings method, relief from royalty method, and cost-to-recreate method, respectively.

Grasons: On November 21, 2022, the Company acquired Grasons. Grasons is a franchisor and the franchises provides downsizing and estate sale services, business liquidation services, senior transition assistance, home staging, and home organization services. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Grasons, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the Grasons' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Grasons' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Acquisition of Businesses (Continued)

Consideration:	
Cash	\$ 3,071,454
Contingent consideration	594,240
Due from seller	(45,924)
Total invested capital	<u>\$ 3,619,770</u>
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	\$ 66,163
Accounts receivable	25,255
Other current assets	12,508
Deposits	1,450
Intangible assets	676,000
Accounts payable	(792)
Accrued expenses and other liabilities	(23,777)
Deferred revenue	(604,617)
Total identifiable net assets acquired	<u>152,190</u>
Goodwill	<u>3,467,580</u>
	<u>\$ 3,619,770</u>

The Company engaged an independent valuation firm to assist with the valuation of intangible assets using the relief from royalty method.

Contingent consideration in the amount of \$594,240 was recognized at the date of acquisition and is included in the balance sheet within the accrued expenses line item at December 31, 2022. The contingent consideration is based on annual royalties for the 12 months ended December 31, 2022 multiplied by an agreed upon rate. The contingent consideration was settled for approximately \$492,000 and goodwill was adjusted for approximately \$102,000 in 2023.

Transaction expenses of approximately \$404,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the \$676,000 of identified intangible assets, \$295,000 was assigned to franchise agreements and \$381,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 12.25 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

Brothers: on November 22, 2023, the Company acquired Brothers and BG (collectively Brothers Gutters). Brothers Gutters includes a franchisor and the franchisees provide services associated with gutter installation, repair and maintenance. In addition, one franchisee was acquired. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Brothers Gutters, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Acquisition of Businesses (Continued)

The goodwill arising from the above acquisition is largely due to the Brothers Gutters' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Brothers Gutters' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	\$ 47,192,063
14,709 Class A shares of EHC Holding Company, LLC	14,000,000
Due from seller	(419,099)
Total purchase consideration	<u>\$ 60,772,964</u>
Fair value of identifiable assets acquired and liabilities assumed:	
Cash	\$ 992,260
Accounts receivable	1,082,985
Inventory	47,089
Prepaid assets	108,930
Fixed asset	780,949
Contract assets	9,154,927
Intangible assets	27,157,000
Right-of-use asset and other assets	719,906
Accounts payable	(497,365)
Accrued expenses and other	(458,242)
Lease liabilities	(628,435)
Contract liabilities	(12,077,451)
Total identifiable net assets acquired	<u>26,382,553</u>
Goodwill	<u>34,390,411</u>
	<u>\$ 60,772,964</u>

The fair value of the 14,709 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

The primary area of the preliminary valuation that is not yet finalized relates to the on-going negotiation with the Company and the seller on the working capital adjustment. An estimate of \$419,099 was recorded at December 31, 2023.

Transaction expenses of approximately \$1,579,000 were incurred as a result of the business combination and have been expensed by the Company and included in the statement of operations within the transaction expenses line item for the year ended December 31, 2023.

Of the \$27,157,000 of identified intangible assets, \$21,578,000 was assigned to franchise agreements and \$5,579,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.8 years. Franchise agreements and trade names were valued using the multi-period excess earnings method and relief from royalty method, respectively.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 3. Property and Equipment

Property and equipment is summarized as follows:

	2023	2022
Furniture and fixtures	\$ 386,373	\$ 2,367
Computer equipment and software	1,450,561	-
Equipment	50,890	-
Leasehold improvements	250,564	-
Total property and equipment	<u>2,138,388</u>	<u>2,367</u>
Less accumulated depreciation and amortization	(98,734)	(696)
Property and equipment, net	<u>\$ 2,039,654</u>	<u>\$ 1,671</u>

Note 4. Intangible Assets and Goodwill

Following is a summary of intangible assets:

	December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	\$ 24,937,000	\$ 711,414	\$ 24,225,586
Trade names	7,126,000	248,785	6,877,215
Developed technology	482,512	128,614	353,898
	<u>\$ 32,545,512</u>	<u>\$ 1,088,813</u>	<u>\$ 31,456,699</u>
Goodwill	<u>\$ 51,475,640</u>	<u>\$ 2,822,649</u>	<u>\$ 48,652,991</u>
	December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	\$ 3,359,000	\$ 139,043	\$ 3,219,957
Trade names	1,547,000	60,174	1,486,826
Developed technology	482,512	32,112	450,400
	<u>\$ 5,388,512</u>	<u>\$ 231,329</u>	<u>\$ 5,157,183</u>
Goodwill	<u>\$ 17,187,323</u>	<u>\$ 737,245</u>	<u>\$ 16,450,078</u>

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Intangible Assets and Goodwill (Continued)

The change in the carrying value of goodwill for the year ended December 31, 2023 and 2022, is as follows:

Balance at December 31, 2021	\$ 2,602,433
Additions of goodwill	14,545,344
Amortization expense	(697,699)
Balance at December 31, 2022	\$ 16,450,078
Additions of goodwill	34,390,411
Reduction of contingent consideration	(102,094)
Amortization expense	(2,085,404)
Balance at December 31, 2023	<u>\$ 48,652,991</u>

Amortization expense recognized on intangible assets and goodwill totaled approximately \$2,943,000 and \$919,000 as of December 31, 2023 and 2022, respectively.

The future estimated aggregate amortization expense for intangibles and goodwill is as follows for each of the next five years ending December 31:

Years ending December 31:	Goodwill	Intangibles
2024	\$ 5,147,564	\$ 3,275,574
2025	5,147,564	3,275,574
2026	5,147,564	3,275,574
2027	5,147,564	3,239,050
2028	5,147,564	3,152,671

Note 5. Leases

The Company leases three offices under operating lease agreements that have an initial term of 3 - 6 years. Some leases include one or more option to exercise renewal terms that can extend the lease term for more years, at the Company's sole discretion. In addition, some leases contain rights to terminate whereby those termination options are held by either the Company, the lessor, or both parties. These options to extend or terminate the lease are included in the lease terms only when it is reasonably certain that the Company will exercise that option. The Company's leases generally do not contain any material restrictive covenants.

Operating lease cost is recognized on a straight-line basis over the lease term. Lease expense is approximately \$106,000 and \$29,000 for the years ended December 31, 2023 and 2022, respectively. For the years ended December 31, 2023 and 2022, weighted average remaining on lease term is 4.7 years and 3.8 years and the weighted average discount rate is 2.64% and 1.37%, respectively.

EHC Holding Company, LLC and Subsidiaries**Notes to Consolidated Financial Statements**

Note 5. Leases (Continued)

Supplemental cash flow information related to leases is as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Operating leases:		
Operating cash outflows—payments on operating leases	\$ 91,762	\$ 30,150
Right-of-use assets in exchange for new lease obligations:		
Operating leases	\$ 1,084,556	\$ -

The future minimum rentals under this lease for the years subsequent to December 31, 2023, are as follows:

Years ending December 31:		
2024		\$ 222,245
2025		230,942
2026		228,719
2027		203,733
2028		139,664
Thereafter		53,632
Total lease payments		<u>1,078,935</u>
Less imputed interest		<u>(46,741)</u>
Total present value of lease liabilities		<u>\$ 1,032,194</u>

Note 6. Related-Party Transactions

A company related to the Company's majority member, charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in general and administrative expenses on the accompanying consolidated statements of operations. The total expense for the years ended December 31, 2023 and 2022, is approximately \$568,000 and \$500,000, respectively.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Members' Equity

Members' equity consisted of the following membership units:

	2023	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	109,546
Class B Units	1,000,000	1,661

	2022	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	39,316
Class B Units	1,000,000	823

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are deferred units that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units. The units substantially vest upon a change in control of the Company, if still employed.

The Company has issued 2,062 and 823 units to certain management employees as of December 31, 2023 and 2022 and had 1,224 units forfeited as of December 31, 2023.

No compensation expense is recognized on the Class B units as their vesting condition is not considered probable until a change in control occurs.

Note 8. Phantom Stock

During 2023, the Company adopted a phantom deferred unit plan. Each share of phantom deferred unit awarded to eligible individuals represents a contractual right to receive an amount in cash equal to the fair value of the unit upon the occurrence of a significant sale. The Company has authorized 1,000,000 units and 3,286 units are outstanding at December 31, 2023. No compensation expense is recognized on the phantom stock deferred units as their vesting condition is not considered probable until a significant sale occurs.

EHC Holding Company, LLC and Subsidiaries

Consolidated Financial Report
December 31, 2022

Contents

Independent auditor's report	1-2
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Financial statements	
Consolidated balance sheet	3
Consolidated statement of operations	4
Consolidated statement of changes in members' equity	5
Consolidated statement of cash flows	6-7
Notes to consolidated financial statements	8-19



Independent Auditor's Report

RSM US LLP

Board of Directors
EHC Holding Company, LLC and Subsidiaries

Opinion

We have audited the consolidated financial statements of EHC Holding Company, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2022, the related consolidated statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Detroit, Michigan
March 30, 2023

EHC Holding Company, LLC and Subsidiaries

**Consolidated Balance Sheet
December 31, 2022**

Assets	
Current assets:	
Cash and cash equivalents	\$ 7,906,497
Accounts receivable, net	700,117
Prepaid expenses and other current assets	146,386
Total current assets	<u>8,753,000</u>
Furniture and fixtures, net	<u>1,671</u>
Other assets:	
Operating lease right-of-use assets, net	121,846
Goodwill, net	16,450,078
Intangibles, net	5,157,183
Other assets	26,807
Contract costs	1,865,412
Total other assets	<u>23,621,326</u>
Total assets	<u>\$ 32,375,997</u>
Liabilities and Members' Equity	
Current liabilities:	
Accounts payable	\$ 391,621
Accrued expenses	1,230,707
Current portion of deferred franchise fees	422,746
Current portion operating lease liabilities	29,701
Total current liabilities	<u>2,074,775</u>
Deferred franchise fees, net of current portion	4,869,898
Operating lease liability, net of current portion	95,071
Total liabilities	<u>7,039,744</u>
Members' equity	<u>25,336,253</u>
Total liabilities and members' equity	<u>\$ 32,375,997</u>

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

**Consolidated Statement of Operations
Year Ended December 31, 2022**

Revenues:	
Royalty fees	\$ 1,310,293
Franchise fees	360,203
Support services	501,031
Total revenues	<u>2,171,527</u>
Operating expenses:	
Cost of services	168,144
General and administrative expenses	2,818,001
Payroll and benefits	1,755,242
Transaction expenses	1,502,800
Amortization and depreciation expense	919,800
Other operating expenses	15,406
Total operating expenses	<u>7,179,393</u>
Net loss	<u>\$ (5,007,866)</u>

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

**Consolidated Statement of Changes in Members' Equity
Year Ended December 31, 2022**

Balance, January 1, 2022	\$ 7,844,119
Contributed capital	22,500,000
Net loss	<u>(5,007,866)</u>
Balance at December 31, 2022	<u>\$ 25,336,253</u>

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended December 31, 2022

<hr/>	
Cash flows from operating activities:	
Net loss	\$ (5,007,866)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	919,800
Changes in assets and liabilities, net of acquisitions:	
Accounts receivable	(453,957)
Prepaid expenses and other current assets	(44,821)
Other assets	(6,575)
Contract costs	(117,661)
Accounts payable and accrued expenses	142,018
Deferred franchise fees	300,099
Operating lease assets and liabilities	2,926
Net cash used in operating activities	<u>(4,266,037)</u>
Cash flows from investing activities:	
Acquisition of businesses, net of cash acquired	(13,055,236)
Purchase of intangible assets	(40,512)
Purchase of property and equipment	(1,270)
Net cash used in investing activities	<u>(13,097,018)</u>
Cash flows from financing activities:	
Proceeds from capital contributions	20,000,000
Net cash provided by financing activities	<u>20,000,000</u>
Net increase in cash and cash equivalents	2,636,945
Cash and cash equivalents, beginning	<u>5,269,552</u>
Cash and cash equivalents, ending	<u>\$ 7,906,497</u>

(Continued)

EHC Holding Company, LLC and Subsidiaries

Consolidated Statements of Cash Flows (Continued)
Year Ended December 31, 2022

Supplemental schedule of noncash operating, investing and financing activities:

Acquisition of businesses:	
Assets acquired	\$ 7,257,883
Liabilities assumed	<u>(5,078,960)</u>
Net identifiable assets acquired	2,178,923
Goodwill	<u>14,545,344</u>
Net assets acquired	16,724,267
Less cash acquired	(620,715)
Add due from seller	45,924
Less contingent consideration	(594,240)
Less units issued as consideration	<u>(2,500,000)</u>
Cash purchase price	<u>\$ 13,055,236</u>

See notes to consolidated financial statements.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of business: EHC Holding Company, LLC and Subsidiaries (the Company) through its wholly owned subsidiaries, including Executive Home Care Franchising, LLC (EH), ALL Franchising, LLC (ALL), ALL Licensing, LLC (Licensing) and B&P Burke, LLC (Grasons), is in the business of selling franchises that deliver senior care and related services.

EH is a franchisor that provides home care services to the elderly, physically handicapped and injured, allowing them to live at home. Executive Homecare began operations in 2004 and conducts operations from its principal office in New Jersey.

ALL is a franchisor that provides senior care placement and referral service for in-home companion care, independent retirement options, assisted living, memory care, and skilled nursing facilities. Assisted Living Locators began operations in 2006 and provides services nationwide.

Licensing is an operating company that owns technology used by ALL.

Grasons is a franchisor that provides services for estate sales and business liquidation services. Grasons was established in 2011 and conducts operations from its principal office in California.

Significant accounting policies:

Basis of presentation: The consolidated balance sheet is presented as of December 31, 2022. The consolidated statement of operations, changes in members' equity, and cash flows are presented for the year ended December 31, 2022. The accompanying consolidated financial statements of the Company include its wholly owned subsidiaries.

All intercompany transactions have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (U.S. GAAP) that the Company follows to ensure its financial condition, results of operations, and cash flows are consistently reported. References to U.S. GAAP issued by the FASB in these notes to the consolidated financial statements are to the FASB Accounting Standards Codification (ASC).

Revenue recognition policy: The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers as follows: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as performance obligations are satisfied.

Nature of services - The Company's franchise agreements include (a) the right to use its symbolic intellectual property over the term of each franchise agreement, (b) preopening services, such as training, (c) ongoing services, such as management of the national brand fund contributions and support services for the franchisees and (d) for certain subsidiaries, a license to use the Company's internal-use software, which is hosted on the Company's software as a service (SaaS) platform. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the symbolic intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the symbolic intellectual property will vary both within a day and day to day, the

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

symbolic intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the symbolic intellectual property (including other related activities).

The Company's revenue consists primarily of franchise revenue (which is discussed above), which includes franchise royalties, franchise fees, and support services performed for franchisees. Initial franchise fees are based on the market type selected and are paid at the time an individual franchise agreement is signed.

Payment terms - The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Agreements may include initial and renewal franchise fees, sales-based royalties, and fees for administrative services performed for the franchisee.

The Company believes its franchising agreements do not contain a significant financing component because (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

Revenue recognition - Initial and renewal franchise fees are recognized as revenue on a straight-line basis over the term of the respective agreement beginning when the agreement is signed. Franchise agreements typically have a term of 10 years with the option to renew for an additional five years if the franchisee is in compliance with the terms of the franchise agreement.

Continuing royalties are calculated as a percentage of franchisees' reported sales that are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration, but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as franchisee sales occur.

Contract balances - The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred franchise fees) also is recorded. Revenue is recognized on a straight-line basis over the life of the franchise agreement.

Commission costs - The Company defers those direct and incremental costs associated with the sale of franchises. Contract costs are charged to earnings when the related deferred franchise and territory fees are recognized as revenue over the term of the respective agreement. The Company has determined the period of benefit for direct and incremental costs associated with the sale of franchises to be the initial term of the franchise agreement. Expense is recognized on a straight-line basis commensurate with the pattern of revenue recognition. Contract costs are recorded in other assets in the accompanying consolidated balance sheet.

Cash and cash equivalents: The Company considers all short-term, highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. Cash equivalents consist of money market accounts.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Accounts receivable: Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its franchisees and customers to make required payments. Management considers the following factors when determining the collectibility of specific accounts: creditworthiness of franchisees, past transaction history with the franchisee, current economic industry trends, and changes in franchisee payment terms. If the financial conditions of the Company's franchisees or customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance. Accounts receivable that remain outstanding after the Company has made reasonable collection efforts are written off against the allowance and a reduction to accounts receivable. Recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts on accounts receivable was approximately \$40,000 at December 31, 2022.

Concentration of credit risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. The Company grants credit to its franchisees and customers. Consequently, the Company's ability to collect the amounts due from franchisees and customers is affected by economic fluctuations. The Company routinely assesses the financial strength of its franchisees and customers and believes that its accounts receivable credit risk exposure is limited.

Furniture and fixtures: Furniture and fixtures are stated at cost, net of accumulated depreciation and amortization. Expenditures for additions and improvements are capitalized while maintenance and repair expenditures are charged to operations as incurred. When assets are sold or otherwise retired from service, their cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in the results of operations. Depreciation and amortization is computed using the straight-line method. Furniture and fixtures have estimated useful lives of three to five years. Depreciation expense for the year ended December 31, 2022, was \$696.

Goodwill and intangibles: Goodwill is recognized for the excess of the fair value of an acquired business over the fair value of the identifiable net assets acquired. Under ASC 350, Intangibles—Goodwill and Other, the Company elected the accounting alternative to amortize goodwill on a straight-line basis over 10 years.

The Company has elected the provisions of Accounting Standards Update (ASU) 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. ASU 2014-18 specifies that a private company that elects the accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business and (2) noncompetition agreements.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Company tests its recorded goodwill for impairment upon a triggering event. Factors that could trigger an impairment test include, but are not limited to, underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the overall business, significant negative industry or economic trends and a sustained period where market capitalization, plus an appropriate control premium, is less than member's equity. Goodwill is tested using a fair-value approach at the entity level. No indications of impairment were identified for the year ended December 31, 2022.

Intangible assets include franchise agreements, trade names, and developed technology. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which range between five to 14 years.

Long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If impairment is considered, recoverability of these assets is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount of which the carrying amount of the asset exceeds the fair value of the asset. No impairment loss has been recognized by the Company as of December 31, 2022.

Leases: In February 2016, the FASB issued ASC 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. ASC 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in ASC 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Company adopted ASC 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period consolidated financial statements. Under this transition provision, the Company has applied ASC 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Company's historical accounting treatment under ASC 840, Leases.

The Company elected the package of practical expedients under the transition guidance within ASC 842, in which the Company does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases or (3) the initial direct costs for any existing leases. The Company has not elected to adopt the hindsight practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon the adoption of ASC 842 on January 1, 2022.

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Company made an accounting policy election available under ASC 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of ASC 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of ASC 842).

The Company has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its various asset classes. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of ASC 842 resulted in the recording of additional ROU assets and lease liabilities related to the Company's operating leases of approximately \$153,000 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

Fair value measurements: The Company uses the fair value measurement and disclosure guidance for all assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that management believes market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
- Level 2:** Inputs to the valuation methodology include quoted prices in markets that are not active or quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3:** Inputs to the valuation methodology are unobservable, reflecting the entity's own assumptions about assumptions market participants would use in pricing the asset or liability.

Income taxes: As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. As such, the taxable income of the Company is allocated in the tax returns of its members for federal and state tax purposes in accordance with their respective percentage ownership. Accordingly, no provision for federal income taxes is included in the consolidated financial statements. Entity-level, composite state and local income taxes (benefits) are accrued at the applicable rates, if any, and are included in the consolidated statement of operations.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The FASB provides guidance for how uncertain tax provisions should be recognized, measured, disclosed, and presented in the consolidated financial statements. The Company identifies its tax positions taken or expected to be taken in the course of preparing its tax returns and determines whether any tax positions are more likely than not of being sustained when challenged or when examined by the applicable tax authority. Management has determined that there are no uncertain tax positions at December 31, 2022.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent accounting pronouncement: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct writedown. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of adopting this new guidance on its consolidated financial statements and does not expect the impact to be significant.

Subsequent events: The Company evaluated subsequent events for potential required disclosure through March 30, 2023, which is the date the consolidated financial statements were available to be issued.

Note 2. Acquisition of Businesses

On November 1, 2021, the Company acquired EH. EH is a franchisor and the franchises provide in-home nonmedical services to individuals that need support with daily living activities. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of EH, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the EH's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, EH's presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Acquisition of Businesses (Continued)

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	\$ 3,149,261
Total purchase consideration	<u>\$ 3,149,261</u>
Recognized amount of net assets of the Company:	
Cash	\$ 171,370
Receivables	61,597
Other current assets	20,333
Deferred contract costs	237,150
Intangible assets	460,000
Accounts payable	(14,177)
Accrued liabilities	(16,371)
Deferred revenue	(412,620)
Total identifiable net assets acquired	<u>507,282</u>
Goodwill	2,641,979
	<u>\$ 3,149,261</u>

Transaction expenses of approximately \$753,000 were incurred as a result of the business combination and have been expensed by the Company for the year ended December 31, 2021.

Of the \$460,000 of identified intangible assets, \$328,000 was assigned to franchise agreements and \$132,000 was assigned to trade name and each were determined to have useful lives of 10 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 8.6 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

Assisted Living Locators: On August 24, 2022, the Company acquired ALL and Licensing. ALL is a franchisor and the franchises provide senior placement and referral services. Licensing is an operating company that owns technology used by ALL. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of ALL and Licensing, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

The goodwill arising from the above acquisition is largely due to the ALL's and Licensing's fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, ALL's and Licensing's presence in the marketplace and their long-term expected revenue growth. The goodwill is deductible for income tax purposes.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Acquisition of Businesses (Continued)

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	\$ 10,604,497
3,409 Class A shares of EHC Holding Company, LLC	<u>2,500,000</u>
Total invested capital	<u>\$ 13,104,497</u>
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	\$ 554,552
Receivables	90,587
Prepaid assets	63,265
Contract assets	1,535,871
Intangible assets	4,212,000
Other asset	20,232
Accounts payable	(198,630)
Accrued expenses and other liabilities	(246,569)
Contract liabilities	<u>(4,004,575)</u>
Total identifiable net assets acquired	<u>2,026,733</u>
Goodwill	<u>11,077,764</u>
	<u>\$ 13,104,497</u>

The fair value of the 3,409 Class A Units was determined based on the value of the Company at the acquisition date, using unobservable inputs.

Transaction expenses of approximately \$1,077,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the \$4,212,000 of identified intangible assets, \$2,736,000 was assigned to franchise agreements, \$1,034,000 was assigned to trade name, and \$442,000 was assigned to developed technology. Each were determined to have useful lives of 10 years, 14 years and five years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 10.45 years. Franchise agreements, trade names, and developed technology were valued using the multiperiod excess earnings method, relief from royalty method, and cost-to-recreate method, respectively.

Grasons: On November 21, 2022, the Company acquired Grasons. Grasons is a franchisor and the franchise provides downsizing and estate sale services, business liquidation services, senior transition assistance, home staging, and home organization services. As a result of the transaction, the Company gains penetration into this industry. The Company obtained control of the business by acquiring 100% of the membership interests of Grasons, therefore the acquisition was accounted for as a business combination. The results of this acquisition have been included in the consolidated financial statements since the date of the acquisition.

The acquisition was funded through cash contributions of equity.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Acquisition of Businesses (Continued)

The goodwill arising from the above acquisition is largely due to the Grasons' fair value of certain intangible assets along with the assembled workforce subsumed into goodwill, Grasons' presence in the marketplace and its long-term expected revenue growth. The goodwill is deductible for income tax purposes.

The following table summarizes the consideration paid and the amounts of the assets acquired, and liabilities assumed at the date of acquisition:

Consideration:	
Cash	\$ 3,071,454
Contingent consideration	594,240
Due from seller	(45,924)
Total invested capital	<u>\$ 3,619,770</u>
Recognized amount of identifiable assets acquired and liabilities assumed:	
Cash	\$ 66,163
Accounts receivable	25,255
Other current assets	12,508
Deposits	1,450
Intangible assets	676,000
Accounts payable	(792)
Accrued expenses and other liabilities	(23,777)
Deferred revenue	(604,617)
Total identifiable net assets acquired	<u>152,190</u>
Goodwill	<u>3,467,580</u>
	<u>\$ 3,619,770</u>

The Company engaged an independent valuation firm to assist with the valuation of intangible assets using the relief from royalty method.

Contingent consideration in the amount of \$594,240 was recognized at the date of acquisition and is included in the balance sheet within the accrued expenses line item at December 31, 2022. The contingent consideration is based on annual royalties for the 12 months ended December 31, 2022 multiplied by an agreed upon rate.

Transaction expenses of approximately \$404,000 were incurred as a result of the business combination and have been expensed by the Company and included in the consolidated statement of operations within the transaction expenses line item for the year ended December 31, 2022.

Of the \$676,000 of identified intangible assets, \$295,000 was assigned to franchise agreements and \$381,000 was assigned to trade name. Each were determined to have useful lives of 10 years and 14 years, respectively. The weighted-average useful life in years for the identified intangible assets in aggregate was 12.25 years. Franchise agreements and trade names were valued using the multiperiod excess earnings method and relief from royalty method, respectively.

EHC Holding Company, LLC and Subsidiaries**Notes to Consolidated Financial Statements****Note 3. Intangible Assets and Goodwill**

Following is a summary of intangible assets:

	December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Franchise agreements	\$ 3,359,000	\$ 139,043	\$ 3,219,957
Trade names	1,547,000	60,174	1,486,826
Developed technology	482,512	32,112	450,400
	<u>\$ 5,388,512</u>	<u>\$ 231,329</u>	<u>\$ 5,157,183</u>
Goodwill	<u>\$ 17,187,323</u>	<u>\$ 737,245</u>	<u>\$ 16,450,078</u>

The change in the carrying value of goodwill for the year ended December 31, 2022, is as follows:

Balance at December 31, 2021	\$ 2,602,433
Additions of goodwill	14,545,344
Amortization expense	(697,699)
Balance at December 31, 2022	<u>\$ 16,450,078</u>

Amortization expense recognized on intangible assets and goodwill totaled \$919,134 as of December 31, 2022.

The future estimated aggregate amortization expense for intangibles and goodwill as of December 31, 2022, is as follows:

Years ending December 31:		
2022	\$ 1,781,732	\$ 559,874
2023	1,781,732	559,874
2024	1,781,732	559,874
2025	1,781,732	559,874
2026	1,781,732	559,874

Note 4. Leases

The Company leases one office under an operating lease agreement that has an initial term of five years. The lease includes one option to exercise renewal terms that can extend the lease term for five more years, at the Company's sole discretion. The lease contains rights to terminate whereby those termination options are held by either the Company, the lessor, or both parties. This option to extend or terminate the lease are included in the lease terms only when it is reasonably certain that the Company will exercise that option. The Company's lease generally does not contain any material restrictive covenants.

Operating lease cost is recognized on a straight-line basis over the lease term. Lease expense is approximately \$29,000 for the year ended December 31, 2022. Weighted average remaining on lease term is 3.8 years and the weighted average discount rate is 1.37%.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 4. Leases (Continued)

Supplemental cash flow information related to leases is as follows for the year ended December 31, 2022:

Operating leases:

Operating cash outflows—payments on operating leases	\$ 30,150
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The future minimum rentals under this lease for the years subsequent to December 31, 2022, are as follows:

Years ending December 31:	Operating Leases
2023	\$ 31,158
2024	32,715
2025	34,351
2026	29,809
Total lease payments	<u>128,033</u>
Less imputed interest	(3,260)
Total present value of lease liabilities	<u>\$ 124,773</u>

Note 5. Related-Party Transactions

A company related to the Company's majority member charges the Company for financial and management services under a management services agreement for reimbursement of reasonable direct expenses, which is included in general and administrative expense on the accompanying consolidated statement of operations. The total expense for the year ended December 31, 2022, is approximately \$500,000.

Note 6. Members' Equity

Members' equity consisted of the following membership units:

	2022	
	Units Authorized	Units Issued and Outstanding
Class A Units	1,000,000	39,316
Class B Units	5,111	1,592

Class A Units have voting rights on all matters requiring the consent, approval or vote of the Members. The Class A Units receive preference on distributions.

Class B Units are deferred units that do not have voting rights and have been issued to designated management employees of the Company without any corresponding capital contribution. The holders of these units are entitled to share in the appreciation of the Company's assets that occur subsequent to the date of grant. The Class B Units are dilutive to the participating preferred units.

EHC Holding Company, LLC and Subsidiaries

Notes to Consolidated Financial Statements

Note 6. Members' Equity (Continued)

The Company has issued 1,592 units to certain management employees as of December 31, 2022. The units substantially vest upon a change in control of the Company, if still employed. The fair value of the awards at the date of grant is estimated using option-pricing models. The expected terms assumption reflects the period for which the Company believes the awards will remain outstanding and is based on the expected behavior of the award holders. The Company determined the volatility of the fair value of its units through comparison to similar entities considering such characteristics as industry, stage of life cycle, size, and financial leverage. The risk-free rate reflects the U.S. Treasury yield curve for similar expected life instruments in effect at the time of grant.

For the year ended December 31, 2022, there was unrecognized compensation costs related to the Class B Units of approximately \$79,000. The unrecognized compensation costs will be recognized at the time the vesting criterion is probable to occur.

EXECUTIVE HOME CARE FRANCHISING, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

**EXECUTIVE HOME CARE FRANCHISING, LLC
YEARS ENDED DECEMBER 31, 2021 AND 2020**

TABLE OF CONTENTS

	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Balance Sheets	4
Statements of Operations	5
Statements of Changes in Member's Equity/(Deficit)	6
Statements of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8 - 14

GOLDSTEIN & LOGGIA CPA'S, LLC
707 TENNENT ROAD
MANALAPAN, NJ 07726
(732) 617-7004

INDEPENDENT AUDITOR'S REPORT

To the Member of
Executive Home Care Franchising, LLC
Hackensack, New Jersey

Opinion

We have audited the financial statements of Executive Home Care Franchising, LLC, (a New Jersey Partnership) (the "Company"), which comprise the Balance Sheets as of December 31, 2021 and 2020, and the related Statements of Operations, Changes in Member's Equity/(Deficit), and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Executive Home Care Franchising, LLC as of December 31, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 9 to the financial statements, there were understatements of revenue generated from system and franchise fees and the associated commission expense, and overstatements of the associated deferred revenue and contract costs accounts from franchises which were added and terminated in prior periods. As discussed in Note 2, franchise fee is recognized as income in the year the franchisee terminates the agreement. The understatements and overstatements were not recognized in the prior periods. Our opinion is not modified with respect to this matter.

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 Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. No such events exist.

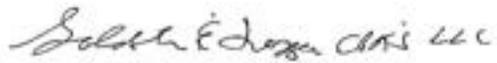
Auditor's Responsibilities for the Audit of the Financial Statements

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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are no conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time. No such events exist.

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.



GOLDSTEIN & LOGGIA CPA's, LLC
Certified Public Accountants

April 15, 2022
Manalapan, New Jersey

EXECUTIVE HOME CARE FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	2021	2020
		(RESTATED)
ASSETS		
Cash	\$ 129,059	\$ 147,291
Accounts Receivable	70,608	77,506
Prepaid Expenses	24,342	-
Deferred Contract Costs	211,880	312,922
Property and Equipment (Net of Accumulated Depreciation For 2021 and 2020 \$31 and \$ - respectively)	1,068	-
TOTAL ASSETS	\$ 436,957	\$ 537,719
LIABILITIES AND MEMBER'S EQUITY/(DEFICIT)		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 49,752	\$ 29,570
Due to Affiliates	-	10,000
Deferred Revenue	383,354	549,906
TOTAL LIABILITIES	433,106	589,476
MEMBER'S EQUITY/(DEFICIT)	3,851	(51,757)
TOTAL LIABILITIES AND MEMBER'S EQUITY/(DEFICIT)	\$ 436,957	\$ 537,719

The accompanying notes to financial statements are an integral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
		(RESTATED)
REVENUE		
Royalties	\$ 852,718	\$ 949,566
System and Franchise fees	140,758	212,492
TOTAL REVENUE	<u>993,476</u>	<u>1,162,058</u>
EXPENSES		
General and Administrative	355,914	341,461
Selling and Commissions	62,683	200,888
Payroll	314,373	310,201
Professional Expense	139,867	189,281
Depreciation	31	-
TOTAL EXPENSES	<u>872,868</u>	<u>1,041,831</u>
INCOME FROM OPERATIONS	120,608	120,227
OTHER INCOME AND (EXPENSES)		
Other Income - PPP Loan Forgiveness	-	65,000
TOTAL OTHER INCOME	<u>-</u>	<u>65,000</u>
NET INCOME	<u>\$ 120,608</u>	<u>\$ 185,227</u>

The accompanying notes to financial statements are an integral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY/(DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

MEMBER'S (DEFICIT) - JANUARY 1, 2020	\$ (118,134)
*Prior period adjustment	<u>(87,297)</u>
MEMBER'S (DEFICIT) - JANUARY 1, 2020 (AS RESTATED)	(205,431)
Distributions	(31,553)
Net Income	<u>185,227</u>
MEMBER'S (DEFICIT) - DECEMBER 31, 2020 (AS RESTATED)	(51,757)
Distributions	(65,000)
Net Income	<u>120,608</u>
MEMBER'S EQUITY - DECEMBER 31, 2021	<u>\$ 3,851</u>

*Represents revenues and expenses that relate to prior periods, as stated in NOTE 9 to the financial statements.

The accompanying notes to financial statements are an integral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		(RESTATED)
Net Income	\$ 120,608	\$ 185,227
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Cash Provided by (Used in) Operating Activities:		
Depreciation	31	-
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts Receivables	6,898	14,599
Prepaid Expenses	(24,342)	-
Increase (Decrease) in:		
Deferred Contract Costs	101,042	64,712
Accounts Payable and Accrued Expenses	20,182	(14,303)
Deferred Revenue	(166,552)	(140,471)
Due to Affiliates	(10,000)	-
Total Adjustments	(72,741)	(75,463)
Net Cash Provided by Operating Activities	47,867	109,764
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(1,099)	-
Net Cash (Used in) Investing Activities	(1,099)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(65,000)	(31,553)
Net Cash (Used in) Financing Activities	(65,000)	(31,553)
Net Change in Cash	(18,232)	78,211
Cash - Beginning	147,291	69,080
Cash - Ending	\$ 129,059	\$ 147,291
 SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Income Taxes Paid	\$ -	\$ 516

The accompanying notes to financial statements are an integral part of these statements.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 - NATURE OF OPERATIONS

Executive Home Care Franchising, LLC (the "Company") was organized under the laws of the State of New Jersey in 2012, without expiration. The Company is a franchising company which sells and grants franchises for the operation of outlets under the trade name Executive Care. The Franchises offer in-home care, companionship, homemaking, personal care, and specialized care to individuals seeking care in their own homes. During 2021 and 2020, the Company's franchisees were concentrated in various regions of the United States. Effective November 1, 2021, EHC Holding Company, LLC, a Delaware limited liability company, is the sole member of the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting.

CASH AND CASH EQUIVALENTS

For purposes of the balance sheets and statement of cash flows, the Company considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

CONCENTRATION OF CREDIT RISK

The Company maintains its cash bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits.

Credit risk for trade accounts is concentrated as well because all the balances are receivable from entities located within certain geographic regions and are in the same industry. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial conditions but does not require collateral.

The Company offers services to franchisees, revenue received from four franchisees represent 51% of total revenue. During 2021 and 2020, the Company's franchisees were concentrated in various regions of the United States.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE

The Company is subject to the provisions of the authoritative guidance issued by the FASB for revenue recognition. The authoritative guidance establishes a five-step framework that requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This will require the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The majority of contracts have one single performance obligation as the promise to transfer the individual goods is not separately identifiable from other promises in the contracts and is, therefore, not distinct.

The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaborative arrangements, and financial instruments.

The Company's revenue consists of *Royalties*, *System*, and *Franchise* fees. The franchise agreement ("Agreement") allows for Royalty, Renewal, System, Transfer, and Liquidation Fees. The Company markets franchise licenses to applicants in the United States. Results of operations are affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income and spending habits.

Franchise fees is the initial or renewal fee collected from the franchisee at the time of signing the Agreement as set in the Agreement.

System fees are derived from the franchisees usage of the shared software, base rate is 1% of revenue with ceiling for some franchisees based on the Agreement.

Royalties fees are calculated at the greater of a set minimum per month or a percentage of the franchisees' monthly revenue in accordance with the Agreement. Royalties are considered variable consideration and represent sales-based royalties that are related entirely to the single performance obligation under the Agreement. Revenue from royalty is recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

The Agreements include the right to use Executive Home Care Franchising, LLC intellectual property over the term of the Agreement as well as all other services provided under the Agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the Agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the Agreement is satisfied by granting certain rights to use the intellectual property over the term of each Agreement.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE (continued)

Execution of an Agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed.

Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying balance sheets. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement. The initial or renewal franchise fee is recognized as income in the year the franchisee terminates the Agreement.

Costs to obtain a contract under, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying balance sheets. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed. The commission fees is fully recognized as expense if the franchisee terminates the Agreement.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Upfront initial and renewal fees – Franchise agreements are contingent upon the signed Agreement and receipt of payment for an upfront fee. The Company deferred recognizing the revenue from the fees until all material services relating to the sale of a franchise were performed by the Company and the franchisee facility opened or was deemed unable to open.

ACCOUNTS RECEIVABLE

Accounts receivable primarily consists of amounts due from franchisees. Receivables are collected within 15 days. Accounts receivable as of December 31, 2021 and 2020 amounted to \$70,608 and \$77,506, respectively, which is included on the Balance Sheets.

The Company records an accounts receivable reserve when losses are probable, based on an assessment of historical collection activity and current business conditions. For the years ended December 31, 2021 and 2020 the accounts receivable reserve was \$0.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years, or over the lesser of the term of the lease or the estimated useful life of the asset for assets under capital lease. Normal repairs and maintenance are expensed as incurred whereas significant improvements, which materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets. Depreciation expense for the years ended December 31, 2021 and 2020 was \$31 and \$0 respectively.

ADVERTISING

As of December 31, 2021, the Company has not instituted an advertising fund in accordance with the franchise disclosure document. When instituted, the franchisees will pay an Ad Fund fee to the Company which will be utilized solely for the promotion of the Executive Home Care brand name.

For the years ended December 31, 2021 and 2020, the Company has expensed approximately \$8,000 and \$98,000 respectively, in advertising costs which are included in Selling and Commission Expenses on the Statements of Operations. Also, included in the Selling and Commission Expenses are approximately \$4,000 and \$8,000 related to promotional travel for the years ended December 31, 2021 and 2020, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions about current, and for some estimates, future, economic, and market conditions which affect reported amounts and related footnote disclosures in the financial statements. Although current estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from the expectations which could materially affect the results of operations and financial position of the Company. It is reasonably possible that changes in estimates will occur in the near term.

Specifically, a number of estimates have been and will continue to be affected by the consequences of the COVID-19, pandemic, are uncertain, rapidly changing and difficult to predict. As a result, the accounting estimates and assumptions may change over time in response to COVID-19. Such change could result in future impairments of certain assets.

Significant estimates are inherent in the preparation of the accompanying financial statements which includes contingencies.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

No provision for federal and state income taxes has been made since the Company is not a taxable entity. As a single member limited liability company, the member is individually liable for the taxes on the Company's income or loss.

ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The tax years that remain subject to examination are 2020, 2019, and 2018. The Company determined that there are no uncertain tax positions which would require adjustments or disclosures on the financial statements.

NOTE 3- CONTINGENCIES AND COMMITMENTS

LEASE AGREEMENT

On August 1, 2013, the Company entered into a lease agreement for 10 years for office space with Vindessa Realty Group, LLC ("Vindessa"), a related party. Vindessa is 100% owned by the member. The annual payments as reflected in the lease was \$40,000 with no escalation and expires on July 31, 2023. However, subsequent to December 31, 2017, the lease agreement was amended reflecting effective January 1, 2018, the annual rent payments is increased to \$120,000 with no escalation and expires on December 31, 2028, with the option to terminate the agreement with one month notice, transferring this lease to month to month. Rent expense for the years ended December 31, 2021 and 2020 were \$120,000 and \$160,000, respectively, and is included in General and Administrative expenses on the Statements of Operations.

NOTE 4 – RELATED PARTY

A related party company through common ownership has the exclusive and unrestricted use of the Executive Home Care trademarks in connection with franchise sales and franchise related operations from Executive Home Care, LLC. The company terminated this agreement as of October 31, 2021.

As of October 31, 2021 and December 31, 2020, one of the franchise outlets was owned and operated by related party. The related party franchise outlet paid \$0 in franchise fees to the Company during the years ended December 31, 2021 and 2020.

EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 – PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Company received a loan one for \$65,000, the loans are with US Small Business Administration through TD Bank, N.A, bearing interest at one percent (1%) per annum under the Paycheck Protection Program (“PPP”). The PPP, was established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels.

The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Company applied for loan forgiveness, the loan for \$65,000 was forgiven in 2020, the amount was recognized as other revenue on the accompanying Statements of Operations.

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company’s material financial instruments on December 31, 2021 and 2020 for which disclosure of fair value is required by certain accounting standards consisted of cash, trade accounts receivable, accounts payable, accrued expenses, and due to related parties. The fair values of cash, trade accounts receivable and accounts payable, and accrued expenses are equal to their carrying value because of their liquidity and short-term maturity. As a result of the relationship of the Company and its related parties, there is no practical method that can be used to determine the fair values of payables to related parties.

NOTE 7 - LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, we believe the resulting liabilities would not have a material adverse effect on our financial condition or results of operations.

NOTE 8 - COVID

The World Health Organization characterized the COVID-19 virus as a global pandemic on March 11, 2020. The duration and economic impact of this pandemic remain uncertain. At this time, management is unable to quantify its potential effects on the operations and financial performance of the Company.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

The Company’s financial statements through December 31, 2020 contained an understatement of revenue from system and franchise fees of \$69,111 and an overstatement of the same amount for the associated deferred revenue account, and the Company’s financial statements as of December 31, 2020 contained an understatement of the related commission expense of \$20,611 and an overstatement of the same amount for the associated deferred contract costs for a net effect of \$48,500 on the Statement of Operations. Member’s Deficit as of December 31, 2020, has been restated to correct the aggregate effect of the errors. Those errors amounted to \$87,297.

**EXECUTIVE HOME CARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 15, 2022, which is the date that the financial statements were available to be issued. The Company had no material subsequent events requiring disclosure.

EXHIBIT “B-2”

Unaudited Interim Financial Information

~~THE BALANCE SHEET OF EHC HOLDING COMPANY, LLC AS OF DECEMBER 31, 2023, AS WELL AS EHC HOLDING COMPANY, LLC’S PROFIT AND LOSS STATEMENT FOR THE INTERIM PERIOD BEGINNING JANUARY 1, 2023, AND ENDING DECEMBER 31, 2023, HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.~~

Exhibit B-3
Guaranty of Performance

Exhibit C
Franchisees UNAUDITED INTERIM FINANCIAL INFORMATION

None.

EXHIBIT "B-3"
GUARANTY OF PERFORMANCE

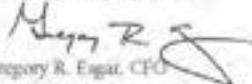
GUARANTEE OF PERFORMANCE

For value received, EHC Holding Company, LLC, a Delaware limited liability company (the "Guarantor"), located at 630 Fifth Avenue, Suite 400, New York, NY 10111, absolutely and unconditionally guarantees to assume the duties and obligations of Executive Home Care Franchising, LLC, located at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Scottsdale, Arizona on the 18th day of April, 2024.

Guarantor:

EHC Holding Company, LLC

By: 
Gregory R. Espar, CFO

GUARANTEE OF PERFORMANCE

For value received, EHC Holding Company, LLC, a Delaware limited liability company (the "Guarantor"), located at 630 Fifth Avenue, Suite 400, New York, NY 10111, absolutely and unconditionally guarantees to assume the duties and obligations of Executive Home Care Franchising, LLC, located at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Scottsdale, Arizona on the 18th day of April, 2024.

Guarantor:

EHC Holding Company, LLC

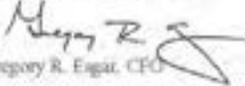
By: 
Gregory R. Espar, CFO

EXHIBIT “C”

CURRENT LIST OF FRANCHISEES

The following table lists our franchisees that were open as of December 31, 202~~2~~3.

Exhibit C
Franchisees as of December 31, 2022

Connecticut Franchisees

FRANCHISEES OPEN AS OF DECEMBER 31, 2023

<u>State</u> <u>Franchisee</u> <u>Name</u>	<u>City</u>	<u>Address</u>	<u>Phone</u> <u>Number</u>	<u>Notes</u> <u>Owner Name(s)</u>
Connecticut Robin Zacks	<u>Statford</u>	<u>3476 Main Street</u> <u>Stratford, CT 06614</u>	<u>(203) 690-1963</u>	<u>Robin Zacks In</u> <u>Operation</u>
<u>Florida</u>	<u>Fort Meyers</u>	<u>15881 S Tamiami Trail Unit 6F</u>	<u>(239) 433-2273</u>	<u>Jordan Martin</u>
<u>Florida</u>	<u>Fort Meyers</u>	<u>15881 S Tamiami Trail Unit 6F</u>	<u>(239) 433-2273</u>	<u>Jordan Martin</u>
<u>Florida</u>	<u>West Palm Beach</u>	<u>4601 N Congress Ave., Suite 103</u>	<u>(561) 429-8067</u>	<u>Vikash Salig</u>
<u>Florida</u>	<u>West Palm Beach</u>	<u>4601 N Congress Ave., Suite 103</u>	<u>(561) 429-8067</u>	<u>Vikash Salig</u>
<u>New Jersey</u>	<u>Cherry Hill</u>	<u>1930 Marlton Pike East, Suite Q-33</u>	<u>(856) 424-5555</u>	<u>Kara Conliffe</u>
<u>New Jersey</u>	<u>Freehold</u>	<u>958 Adelpia Road</u>	<u>(732) 308-1512</u>	<u>Jeff Wolf</u> <u>Senen Cabalfin</u>
<u>New Jersey</u>	<u>Lawrence Twp.</u>	<u>88 Lakedale Drive, 2nd Floor</u>	<u>(609) 212 -</u> <u>2993</u>	<u>Christian Campbell</u>
<u>New Jersey</u>	<u>Morristown</u>	<u>55 Madison Ave., Suite 400</u>	<u>973-705-6400</u>	<u>Michael Baillie</u>
<u>New Jersey</u>	<u>Paramus</u>	<u>275 Market Street</u>	<u>(201) 499-5660</u>	<u>Jeff Wolf and</u> <u>Senen Cabalfin</u>
<u>New Jersey</u>	<u>Saddle Brook</u>	<u>275 Market Street</u>	<u>(201) 499-5660</u>	<u>Jeff Wolf and</u> <u>Senen Cabalfin</u>
<u>New Jersey</u>	<u>Somerset</u>	<u>1075 Easton Ave, Tower 2 – Suite 4</u>	<u>(732) 425-1945</u>	<u>Jeff Wolf</u> <u>Senen Cabalfin</u>
<u>New Jersey</u>	<u>Teaneck</u>	<u>275 Market Street</u>	<u>(201) 499-5660</u>	<u>Jeff Wolf and</u> <u>Senen Cabalfin</u>
<u>New Jersey</u>	<u>Toms River</u>	<u>52 Hyers Street</u>	<u>(732) 908-8901</u>	<u>Jeff Wolf</u> <u>Senen Cabalfin</u>
<u>New Jersey</u>	<u>Toms River</u>	<u>3 Plaza Drive, Suite 13</u>	<u>(848) 480-1001</u>	<u>Michael Baillie</u>
<u>Pennsylvania</u>	<u>Jenkintown</u>	<u>261 Old York Road, Suite 703 B</u>	<u>(215) 277-1447</u>	<u>Mujahid Shakur</u> <u>Angela Shakur</u> <u>Mustafa Shakur</u> <u>Joslyn Shakur</u>
<u>Virginia</u>	<u>Richmond</u>	<u>901 Moorefield Park Drive, Suite 103</u>	<u>(804) 419-6900</u>	<u>Timothy Hayes</u>
<u>Virginia</u>	<u>Richmond</u>	<u>901 Moorefield Park Drive, Suite 103</u>	<u>(804) 419-6900</u>	<u>Timothy Hayes</u>

* In some cases, franchisees who have purchased multiple territories (each under a separate Franchise Agreement) operate them from the same designated office location. Each territory is counted as a separate “outlet” for purposes of Item 19 and Item 20 of this Disclosure Document but appear as duplicates above.

The following table lists franchisees with signed franchise agreements that were not open as of December 31, 2023.

Florida Franchisees

<u>FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2023</u>				
<u>State</u> Franchisee Name	<u>City</u>	<u>Address</u>	<u>Phone Number</u>	<u>Notes</u> <u>Owner Name(s)</u>
<u>Colorado</u> Jordan Martin	<u>Parker</u> 15881 S Tamiami Trail Unit 6F Fort Myers, FL 33908	11479 South Pine Dr. Ste #4 <u>Parker</u> (239) 433-2273	<u>(303) 854-4539</u>	In Operation <u>Kim</u>
<u>Florida</u>	<u>Coral Springs</u>	<u>3301 N University Dr. Suite 100</u>	<u>(201) 696-1194</u>	<u>Deryck Toby</u>
<u>Florida</u>	<u>Tampa</u>	<u>1218 Millennium Parkway, Suite 1-12</u>	<u>(813) 417-7318</u>	<u>Jason Mirabella</u> <u>Claudia Mirabella</u>
<u>Maryland</u>	<u>Crofton</u>	<u>2411 Crofton Lane #24 Suite</u>	<u>(443) 889-1636</u>	<u>Patricio Green</u> <u>Leisha Green</u>
— <u>New Jersey</u> Vikash Salig	<u>Morristown</u>	4601 N Congress <u>55 Madison Ave</u> <u>Suite 403</u> 400 West Palm Beach, FL 33407	(561) 429-8067 <u>(973) 705-6400</u>	In Operation <u>Michael Baillie</u>
<u>Texas</u>	<u>Fort Worth</u>	<u>9117 Vineyard Lane</u>	<u>(682) 597-8320</u>	<u>Landris Johnson</u>

New Jersey

EXHIBIT “D”

Former Franchisees Who Left System During Prior Fiscal Year

<u>State</u> <u>Franchisee Name</u>	<u>Address</u> <u>City</u>	<u>Phone Number</u> <u>Current Business Phone or Last Known Home Phone</u>	<u>Notes</u> <u>Owner Name(s)</u>
New York Kara Conliffe	1930 Marlton Pike East Suite Q-33 Great Neck Cherry Hill, NJ 08003	(516) 441-5528 (856) 424-5555	In Operation Robert Rifkin
—Ohio Jeff Wolf and Senen Cabalfin	Avon Lake 958 Adolphia Road Freehold, NJ 07728	(440) 961-1233 (732) 308-1512	In Operation James Schack
Jeff Wolf and Senen Cabalfin	1075 Easton Ave Tower 2—Suite 4 Somerset, NJ 08873	(732) 425-1945	In Operation
Jeff Wolf and Senen Cabalfin	52 Hyers Street Toms River, NJ 08753	(732) 908-8901	In Operation
Christian Campbell	88 Lakedale Drive 2nd Floor Lawrence Twp, NJ 08648	(609) 212-2993	In Operation
Michael Baillie	3 Plaza Drive, Suite 13 Toms River, NJ 08757	(848) 480-1001	In Operation
Jeff Wolf and Senen Cabalfin	275 Market Street Saddle Brook, NJ 07663	(201) 499-5660	In Operation

New York Franchisees

Franchisee Name	Address	Phone Number	Notes
Robert Rifkin	320 Northern Boulevard, Suite 17 Great Neck, NY 11021	(516) 441-5528	In-Operation

Ohio Franchisees

Franchisee Name	Address	Phone Number	Notes
James Schack	32730 Walker Road, Suite F4, Avon Lake, Ohio 44012	(440) 961-1233	Mutual Termination as of Jan 1, 2023

Pennsylvania Franchisees

Franchisee Name	Address	Phone Number	Notes
Mujahid, Angela, Mustafa, and Joslyn Shakur	261 Old York Road Suite 703 B Jenkintown, PA 19046	(215) 277-1447	In-Operation

Virginia Franchisees

Franchisee Name	Address	Phone Number	Notes
Timothy Hayes	901 Moorefield Park Drive, Suite 103, Richmond, Virginia 23236	(804) 419-6900	In-Operation

Franchisees Not Yet Open (as of December 31, 2022)

Franchisee Name	Address	Phone Number	Notes
Michael Baillie	North, NJ	(732) 809-1782	Not Yet In-Operation —Two Territories

Exhibit D
List of Former Franchisees as of December 31, 2022
and Within the 10-Weeks Prior to the Issuance of this Disclosure Document

~~Cathy Kirk~~
~~37539 Hidden Valley Court~~
~~Clinton Twp., MI 48036~~
~~(586) 612-9363~~
***Mutual Termination as of Jan 1, 2022**

~~Iris Oladapo~~
~~6 Hilltop Place~~
~~Montclair, NJ 07042~~
~~(908) 450-7444~~
***Transfer to Current Franchisee**

~~James Schack~~
~~32730 Walker Road, Suite F4~~

~~Avon Lake, If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system~~

EXHIBIT "E"

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

~~Ohio 44012~~

~~(440) 961-1233~~

~~*Mutual Termination as of Jan 1, 2023~~

Exhibit E
State Administrators and Agents for Service of Process

State Administrators and Agent for Service of Process

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1 st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Exhibit F
EXHIBIT "F"

STATE ADDENDA

(See Attached)

State Addenda

California Disclosure

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

~~Executive Care Your Home Care Company@ Franchise Disclosure Document~~

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

1. The franchisor, any person or franchise broker in Item 2 of the FDD is (or not) subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
2. Item 6 of the FDD is hereby amended to include the following disclosure: “The highest interest rate allowed in California is 10% annually.”
3. California Business and Professions Code sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
5. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. The franchise agreement requires application of the laws of Arizona. This provision may not be enforceable under California law.
7. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
8. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
9. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.
10. Item 19 of the FDD shall be amended to include the following disclosure:
“The financial performance representation does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.”

Item 1

California Corporate Practice of Medicine Prohibition / Additional Disclosures: Corporate Practice of Medicine.

California prohibits the corporate practice of medicine. In California, the Medical Board of California defines the Corporate Practice of Medicine as follows:

- Business and Professions Code, Section 2052 states that practicing medicine without a valid license is unlawful.

- Section 2400 states that “[c]orporations and other artificial entities shall have no professional rights, privileges, or powers.”^{5 6 7} These statutes together are interpreted as a ban on corporations practicing medicine by employing physicians because corporations and other artificial entities are not granted licenses and therefore have no professional rights, privileges, and powers. Courts, California Attorneys General, and the legislature have since determined how this statute would apply to the practice of medicine.

According to the Medical Board of California, limitations on the rights, privileges, and powers of corporate and other artificial entities are intended to prevent unlicensed persons from interfering with or influencing the physician’s professional judgment. The reasoning behind this intention is that corporations cannot have the training, education, and personal characteristics that are needed to receive a medical license. In addition, corporations are unable to develop the relationship of trust and confidence that is necessary for the relationship between a professional and patient or client. Similarly, a corporation must not employ physicians because the physician’s acts would then be attributable to the unlicensed employer.

According to the Medical Board of California, each of the following activities is defined as practicing medicine and is therefore restricted to licensed physicians:

- Decisions concerning diagnostic tests for a particular condition
- Determining whether to refer to or consult with another physician/specialist
- Assuming responsibility for the overall care of the patient, including available treatment options
- Determining how many patients a physician must see or how many hours a physician must work in a given period.

In addition, only licensed physicians may make business or management decisions and engage in activities that result in control over a physician's practice of medicine. Examples of these restricted activities include, but are not limited to:

- Ownership and control over patient medical records and their contents
- Making clinical competency or proficiency determinations for selecting, hiring, and firing physicians, allied health staff, and medical assistants
- Setting the parameters under which physicians contract with third-party payers
- Decisions regarding coding and billing procedures
- Selecting medical equipment and medical supplies.

These types of decisions and activities may not be delegated to an unlicensed person, including management service organizations. Although a physician may consult with unlicensed persons in making such business or management decisions, the physician must retain the ultimate responsibility for those decisions.

Under California law, only licensed physicians may operate a business advertising, offering and/or providing patient evaluation, diagnosis, care and/or treatment.

Accordingly, you are not permitted to offer or provide any of these services in connection with the operation of the Franchised Business.

Home Care Services Consumer Protection Act of 2013

Pursuant to California's Home Care Services Consumer Protection Act of 2013, home health care agencies that provide non-medical home care are required to conduct background checks on workers, provide five hours of training, list aides in an online registry and obtain a license certifying their compliance with basic standards.

You are not permitted, nor shall you permit any of your care providers, to offer skilled medical care or to administer. Please refer to Attachment A for a list of other California laws that may apply to your franchise.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine or any other health care. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

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 in connection with the franchise.

APPENDIX A TO CALIFORNIA ADDENDUM
LIST OF ADDITIONAL CALIFORNIA LAWS

Below is a list of other California laws that may apply to your franchise. We do not provide assistance in determining which specific federal, state or local laws apply to the operation of the franchised business. It is critical that you determine the applicability of these and other laws, and whether you are qualified to own and operate a franchised business before you purchase a franchise.

1. ~~a.~~—California Employment, Employment Counseling and Job Listing Services Act (Cal. Civil Code §§ 1812.500 – 1812.544).

- Sections 1812.524 – 1812.533 apply specifically to Nurses’ Registries.
- Sections 1812.540 – 1812.544 apply specifically to Long-Term Care Facilities

- a. Nurses Registry:

A nurses’ registry that makes or plans to make referrals for nurses’ employment other than private duty nursing (as defined) must comply with the general provisions of the Employment Agency, Employment Counseling and Job Listing Services Act (Cal. Civil Code § 1812.524(b)).

Bonds for Nurses’ Registry. (See Cal. Civil Code §1812.525)

Contracts With Private Duty Nurses. Nurses’ registries may enter into a continuing contract with private duty nurses covering the assignment of such nurses by the nurses registries. The continuing contract must meet the requirements of Cal. Civil Code §1812.526.

Fees. (See Cal. Civil Code. §1812.527)

Verification of Qualifications. It is the duty of a nurses’ registry to verify in writing any claims as to experience or training listed on an application for the use of the services of a nurses’ registry, and to keep a file of such records. It is the duty of the person interviewing the jobseeker to require the jobseeker to exhibit his or her license as issued by the Board of Registered Nursing or the Board of Vocational Nurse and Psychiatric Technician Examiners. (Cal. Civil Code §1812.528).

Log Sheets and Other Records. Each nurses’ registry must maintain true and correct permanent log sheets and other records disclosing certain information concerning each assignment of a nurse. (Cal. Civil Code §1812.529).

Restrictions on Acceptance of Fees. (See Cal. Civil Code §1812.530)

Fee Splitting. No nurses’ registry shall divide fees with any physician or surgeon, nurse, hospital, patient, or any agent or employee of any of these. (See Cal. Civil Code § 1812.531)

Repayment of Fees and Expenses. If a nurses’ registry collects from a nurse a fee or expenses for an assignment, and the nurse fails to obtain such assignment or is not paid for such assignment, the nurses’ registry must repay any fee or expense so collected, and unless such repayment is made within a statutory period of time after demand, the nurses’ registry must pay a double amount. (See Cal. Civil Code §1812.532).

Advertisements & Records. (See Cal. Civil Code §1812.533)

- b. Long Term Care Facilities:

Requirements of Agency Referring Temporary Certified Nurse Assistants. (See Cal. Civil Code §1812.541)

2. Requirements of Agency Referring Temporary Licensed Nursing Staff (See Cal. Civil Code §1812.521)

3. Adoption of Policies and Procedures. (See Cal. Civil Code §1812.543).
4. Advertising Records; Advertising Restrictions; Complaint Referral Procedure. (See Cal. Civil Code §1812.544).
5. Duty of Employer (including staffing agency) to Ascertain Nurse’s Current Authority to Practice (Cal. Bus. & Prof. Code §2732.05)
6. Licensing of Private Duty Nursing Agencies (Cal. Bus. & Prof. Code §§ 1743 – 1743.37 *California repealed the licensing provisions for employment agencies and nurses’ registries.*)
7. Licensing of Home Health Agencies – Regulated by the California Department of Public Health (Cal. Health & Safety Code §§1725 – 1742; Cal. Code Regs. Title 22 §§74600- 74749). These provisions include mandated health safeguards required under state and federal regulations.

- Infections Control Plan. (See Cal. Code Regs. Title 22 §§ 74721(c)(4), 74725,
 - a. 74727)
 - b. — Tuberculosis Exposure Control Plan. (See Cal. Code Regs. Title 22 §§ 74721(c)(4), 74725, 74723)
 - c. — Bloodborne Pathogens Exposure Control Plan and Hepatitis B Exposure Plan (See Cal. Code Regs. Title 22 §§ 74721(c)(4), 74723)
 - d. — OSHA Recordkeeping (See Cal. Code Regs. Title 22 §§ 74721(c)(4), 74723)
- Occupational Exposure Information and Training. (See Cal. Code Regs. Title 22 §§
 - e. 74721(c)(4))
 - f. — Standard Precautions (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - g. — Personal Protective Equipment (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - h. — Hand Hygiene. (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - i. — Clean vs Aseptic Technique (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - j. — Infection Control / Isolation Precautions (See Cal. Code Regs. Title 22 §§
 - k. — Contaminated / Hazardous Waste Materials Disposition (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - l. — Bag Technique (Prevention of Cross – Contamination). (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - m. — Evaluating and Maintaining Records of Infections Among Personnel. (See Cal. Code Regs. Title 22 §§-74721(c)(4))
 - n. — Reporting of Communicable Diseases. (See Cal. Code Regs. Title 22 §§ 74721(c)(4), 74725, 74727)
 - o. — Pandemic Influenza Preparedness. (See Cal. Code Regs. Title 22 §§ 74721(c)(4))
 - p. — Environmental Safety – Patient (See Cal. Code Regs. Title 22 §§ 74721(c)(1)(8))
 - q. — Hazardous Waste Handling (See Cal. Code Regs. Title 22 §§ 74693)
 - r. — Emergency Management Plan. (See Cal. Code Regs. Title 22 §§ 74721(c)(1))

8. Financial Management (See Cal. Code Regs. Title 22§§ 47417). These provisions include requirements relating to operating budget, billing and collection, accounts receivable and payable, payroll processing and bad debt.
 - a. ~~—~~Change Verification (See Cal. Code Regs. Title 22§§ 47417)
 - b. ~~—~~Billing and Collections (See Cal. Code Regs. Title 22§§ 47417)
 - c. ~~—~~Accounts Receivable Review (See Cal. Code Regs. Title 22§§ 47417)
 - d. ~~—~~Bad Debt Policy (See Cal. Code Regs. Title 22§§ 47417)
 - e. ~~—~~Cash Receipts (See Cal. Code Regs. Title 22§§ 47417)
 - ~~—~~Purchasing Authorization and Accounts Payable (See Cal. Code Regs. Title 22§§ 47417)
 - f. 47417)
 - g. ~~—~~Fixes Assets and Depreciation (See Cal. Code Regs. Title 22§§ 47417)
 - h. ~~—~~Payroll Processing (See Cal. Code Regs. Title 22§§ 47417)
 - i. ~~—~~Allocation of Time Worked. (See Cal. Code Regs. Title 22§§ 47417)
 - j. ~~—~~Annual Operating Budget (See Cal. Code Regs. Title 22§§ 47417)
 - k. ~~—~~Financial Management and Control (See Cal. Code Regs. Title 22§§ 47417)
 - l. ~~—~~Fiscal Solvency (See Cal. Code Regs. Title 22§§ 47417)
 - m. ~~—~~Financial Reports (See Cal. Code Regs. Title 22§§ 47417)
 - n. ~~—~~Fee Determination (See Cal. Code Regs. Title 22§§ 47417)
9. Referral Prohibitions (Speier Bill) (Cal. Bus & Prof. Code §650.01) NOTE: This is similar to the federal Stark law and prohibits referrals to certain health care providers if the practitioner or immediate family member has a financial interest.
10. California Anti-Kickback/Anti-Fee Splitting Statute (Cal. Bus & Prof. Code §650)
11. Medical Referral Services - (Cal. Health & Safety Code §445) NOTE: This is a criminal statute related to Anti-Kickback Statute, which prohibits anyone from referring or recommending a person, “for profit”, to a physician, hospital, health-related facility or dispensary, for “any type of medical care or treatment of any ailment or physical condition.”

Illinois Disclosure

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

1. Illinois law governs the Franchise Agreement.
2. 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.
3. 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.
4. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. 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.
6. 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 in connection with the franchise.

Illinois Franchise Agreement Amendment

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the parties to the attached Executive Home Care Franchising, LLC Franchise Agreement (the “Agreement”) agree as follows:

1. Illinois law governs the Franchise Agreement.
2. 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.
3. 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.
4. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. 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.
6. 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 in connection with the franchise.

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

FRANCHISOR:

Executive Home Care Franchising, LLC

By: _____

Title: _____

Signature: _____

FRANCHISEE:

By: _____

Title: _____

Signature: _____

~~Maryland Disclosure~~

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the Franchise Disclosure Document for Executive Home Care Franchising, LLC (“EHCF”) for use in the State of Maryland shall be amended as follows:

1. Item 5 shall be amended to include the following language:

“All initial fees and other payments to be paid to the EHCF by the franchisee before the business opens, including payments for goods and services received from EHCF, shall be deferred pending EHCF’s satisfaction of all of its pre-opening obligations to the franchisee.”
2. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

“The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise
Registration and Disclosure Law. See Maryland Disclosure Addendum Exhibit A below for additional information regarding the release.

Except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement permits you to sue only in the jurisdiction in which we maintain our principal place of business.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law~~;~~.”
3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language to the summary of Provision “h”:

“Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq~~;~~.”
4. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language to the summary of Provisions “v” and “w”:

~~;~~“ except for claims arising under the Maryland Franchise Registration and Disclosure Law~~;~~.”
5. Section 6.1 of the Franchise Agreement is hereby amended to include the following provision:

“Deferral of Initial Franchise Fees. Immediately upon Executive Care’s satisfaction of its pre-opening obligations to you, you shall pay to Executive Care in cash or another form of payment that will make the funds immediately accessible to Executive Care, such as cashier’s check or wire transfer, an initial franchise fee of \$49,900).”
6. Each provision of this addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this addendum to the Disclosure Document.
7. 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 in connection with the franchise.

Maryland Addendum

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg., §§ 14-201 through 14-233, the Executive Home Care Franchising, LLC (“EHCF”) Franchise Agreement for use in the State of Maryland shall be amended as follows:

1. Under Section 4.6 of the Agreement, under the heading “Term And Renewal,” the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to EHCF with respect to past dealings with EHCF and its Related Parties; excluding only such claims as you may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233);~~);~~.”

2. Section 6.1 of the Franchise Agreement is hereby amended to include the following provision:

“Deferral of Initial Franchise Fees. Immediately upon Executive Care’s satisfaction of its pre-opening obligations to you, you shall pay to Executive Care in cash or another form of payment that will make the funds immediately accessible to Executive Care, such as cashier’s check or wire transfer, an initial franchise fee of \$49,900.”

3. Under Section 9 of the Agreement, under the heading “Resale of Franchise,” the subsection 9.3.1 (h) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

9.3.1 (h) You and your Related Parties’ signing of a mutual general release of claims with EHCF and its Related Parties; excluding only such claims as the you/transferor may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233);~~);~~.”

4. Sections 11.2.1 and 11.2.2, and 11.12 of the Agreement shall be amended by the following statement at the end of the last sentence of each provision, respectively:

11.2.1 ; except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law.

11.2.2 ; except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law.

11.13 ; except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14233) shall be commenced within three (3) years from the grant of the franchise.

5. Section 12 of the Agreement, under the heading “Miscellaneous Provisions,” shall be supplemented by the following new subsection 12.8:

12.8 Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this ~~amddendum~~ shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233) are met independently without reference to this ~~amddendum~~.

7. 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 in connection with the franchise.

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

FRANCHISOR:
Executive Home Care Franchising, LLC

By: _____
Title: _____
Signature: _____

FRANCHISEE:

By: _____
Title: _____
Signature: _____

Minnesota Disclosure

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

ADDITIONAL RISK FACTORS:

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

~~Minnesota Addendum to Franchise Disclosure Document~~

In recognition of the requirements of the Minnesota Franchise Act, the Franchise Disclosure Document for Executive Home Care Franchising, LLC for use in the State of Minnesota shall be amended as follows:

3. ~~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.
4. 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 nonrenewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
5. 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. 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).
6. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
7. 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.
8. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
9. Items 5 & 7 of the Franchise Disclosure Document are hereby amended to include the following disclosure:

“The Minnesota Department of Commerce (the “Department”) has determined that due to the deficit ratio of current assets to current liabilities in the franchisor, Executive Home Care Franchising, LLC’s (“EHC”) most recent audited financial statement, EHC is required to comply with one of the Department’s financial assurance conditions. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until the franchisee is open for business. Section 6.1 of the Franchise Agreement is hereby amended accordingly.”

Minnesota
Franchise Agreement Amendment

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Executive Home Care Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Under Section 4.6 of the Agreement, **Term And Renewal**, the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

4.6.2 (f) You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Executive Home Care Franchising, LLC with respect to past dealings with Executive Home Care Franchising, LLC and its Related Parties; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given one hundred eighty (180) days' notice of nonrenewal of this Agreement by Franchisor.

2. Section 6.1 of the Franchise Agreement is hereby amended to include the following language:

"The Minnesota Department of Commerce (the "Department") has determined that due to the deficit ratio of current assets to current liabilities in the franchisor, Executive Home Care Franchising, LLC's ("EHC") most recent audited financial statement, EHC is required to comply with one of the Department's financial assurance conditions. Accordingly, the franchisee's obligation to pay the initial franchise fee shall be deferred until the franchisee is open for business."

3. Under Section 7.1.4, **Legal Protection**, the following is added:

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to Section 8.5 of this Agreement.

4. Under Section 9.3, **Consent by Executive Care; Right of First Refusal**, the following is added:

Franchisor shall not unreasonably withhold consent to transfer the franchise agreement.

5. Under Section 9, **Transfer of Franchise**, the subsection 9.3.1 (h) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

9.3.1 (h) You and your Related Parties' signing if a mutual general release of claims with Executive Home Care Franchising, LLC and its Related Parties; provided, however, that all rights enjoyed by the you/transferor and any causes of action arising in its favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota

Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of Minnesota Rules 2860.4400(D) be satisfied;

6. Under Section 10.2.1, **Immediate Termination upon Notice of Default**, the following is added:

Section 10.2.1 will not be enforced to the extent prohibited by applicable law.

7. Under Section 10.2.2, **Termination after Five Days' Notice to Cure**, the following is added:

Section 10.2.2 will not be enforced to the extent prohibited by applicable law.

8. Section 10.2.3, **Termination after Thirty Days' Notice to Cure**, will be amended to replace thirty (30) days with sixty (60) days and the following will be added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given ninety (90) days' notice of termination (with sixty days to cure) of this Agreement.

9. Under Section 11.2.1, the following is added:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Under Section 11.2.2, the following is added:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

- ~~10.1. Under Section 11.2.2, the following is added:~~

~~; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.~~

11. Under Section 11.13, **Limitation of Actions**, the following is added:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Under Section 11.12.1, Jury Trial, the following is deleted:

WAIVER OF JURY TRIAL. EXECUTIVE CARE AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO ANY CLAIM, INCLUDING ANY COUNTERCLAIMS, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

13. Section 12 of the Agreement, Miscellaneous, shall be supplemented by the addition of the following new subsection 12.12:

12.12 Nothing in this Agreement should be considered a waiver of any right conferred upon you by Minnesota Franchise Act.

14. ~~_____~~ 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 in connection with the franchise.

[Signature Page Follows]

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

FRANCHISOR:
Executive Home Care Franchising, LLC

By: _____
Title: _____
Signature: _____

Delivery Address: Executive Home Care Franchising, LLC
8100 E. Indian School Street, Suite 201
Scottsdale, AZ 85251

FRANCHISEE:

By: _____
Title: _____
Signature: _____
Address: _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

~~1. 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 in connection with the franchise.~~

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

~~**FRANCHISOR:**~~

~~**Executive Home Care Franchising, LLC**~~

~~By: _____~~

~~Title: _____~~

~~Signature: _____~~

~~Delivery Address: Executive Home Care Franchising, LLC
8100 E. Indian School Street, Suite 201
Scottsdale, AZ 85251~~

~~**FRANCHISEE:**~~

~~By: _____~~

~~Title: _____~~

~~Signature: _____~~

~~Address: _____~~

~~New York Disclosure~~

ADDITIONAL RISK FACTORS:

1. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.
2. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Franchise Disclosure Document for Executive Home Care Franchising, LLC for use in the State of New York shall be amended as follows:

~~1.~~ Item 3, "Litigation," shall be supplemented by the addition of the following at the

3. beginning of the Item:

Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises or licenses under our trademark, has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises or licenses under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Except as described below, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises or licenses under our trademark, is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an

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

Accordingly, other than the actions described below, no litigation is required to be disclosed in this Disclosure Document.

4. Item 4, “Bankruptcy” shall be supplemented by the addition of the following at the beginning of the Item:

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

5. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by deleting “d”, “j”, “w” and the following new “d”, “j”, “w” shall be substituted in lieu thereof:

Provision	Section in Franchise or other agreement	Summary
d. Termination by franchisee	Section 10.3	Material default by us and compliance with post-termination obligations. Pursuant to New York General Business Law, the franchisee may terminate the Franchise Agreement upon any grounds available by law.
j. Assignment of contract by us	Section 9.6	No restriction on our right to assign so long as assignee: (i) is financially responsible; (ii) capable of performing under the Franchise Agreement; and (iii) expressly assumes obligations under the Franchise Agreement. No assignment will be made except to an assignee who, in Franchisor’s judgment, is willing and able to assume the Franchisor’s obligations under the Franchise Agreement.
w. Choice of law	11.2.1	Arizona law applies.
		The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business law of the State of New York, Article 33.

6. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the

franchisee is domiciled in New York or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

New York Franchise Agreement Amendment

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Executive Home Care Franchising, LLC Franchise Agreement (the “Agreement”) agree as follows:

1. Under Section 4.6 of the Agreement, under the heading “Term And Renewal,” the subsection 4.6.2 (f) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

4.6.2 (f)-_____ You and any Related Parties that are parties to this Agreement have signed a mutual general release of claims in a form satisfactory to Executive Home Care Franchising, LLC (“Franchisor”) with respect to past dealings with Franchisor and its Related Parties; provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied; and

2. Under Section 9 of the Agreement, under the heading “Resale of Franchise,” the subsection 9.3.1 (h) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

9.3.1 (h) You and your Related Parties’ signing if a mutual general release of claims with Franchisor and its Related Parties; provided, however, that all rights enjoyed by the you/transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Section 12 of the Agreement, under the heading “Miscellaneous Provisions,” shall be supplemented by the addition of the following new subsection 12.13:

12.13 Nothing in this Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Executive Home Care Franchising, LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Franchised Business will be opening in New York. Franchisor is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.
5. 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 in connection with the franchise.

[Signature Page Follows]

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

FRANCHISOR:

Executive Home Care Franchising, LLC

By: _____

Title: _____

Signature: _____

FRANCHISEE:

By: _____

Title: _____

Signature: _____

~~STATE SPECIFIC~~ NORTH DAKOTA ~~ADDENDUM TO EXECUTIVE HOME CARE~~
~~FRANCHISING, LLC~~
FRANCHISE AGREEMENT

AS REQUIRED BY THE NORTH DAKOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Executive Home Care Franchising, LLC Franchise Disclosure Document, the following provisions shall supersede any inconsistent provisions and apply to all *Executive Care, Your Home Care Company*® franchises offered and sold in the state of North Dakota:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your *Executive Care, Your Home Care Company*® franchised business will be operated in North Dakota.

1. Section 4.6.2(f) of the Franchise Agreement is hereby amended by the addition of the following language that appears therein:

Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota.

2. Section 6.1 of the Franchise Agreement is hereby amended to include the following language:

“The North Dakota Securities Department (the “Department”) has determined that the financial condition of the franchisor, Executive Home Care Franchising, LLC (“EHC”) is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until the franchisee is open for business. Section 6.1 of the Franchise Agreement is hereby amended accordingly.”

3. Section 10.3(k) of the Franchise Agreement is hereby amended to include the following provision:

Provisions requiring North Dakota Franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.

4. Section 8.6 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

5. Section 11.2.1 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

The provision requires that the franchisee consent to the jurisdiction of courts in Arizona. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.

6. Section 11.2.1 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

For North Dakota Franchisees, North Dakota law shall apply.

7. Section 11.7 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

For North Dakota franchises, arbitration will be agreeable to all parties and may not be remote from the franchisee’s place of business.

8. Section 11.12.1 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Section 11.12.2 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

10. Section 11.13 of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.

FRANCHISOR:

Executive Home Care Franchising, LLC

By: _____

Title: _____

Signature: _____

FRANCHISEE:

By: _____

Title: _____

Signature: _____

NORTH DAKOTA ADDENDUM TO ~~THE EXECUTIVE HOME CARE FRANCHISING, LLC~~
FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the EXECUTIVE HOME CARE FRANCHISING, LLC Franchise Disclosure Document.

1. Items 5 & 7 are hereby amended to include the following:

“The North Dakota Securities Department (the “Department”) has determined that the financial condition of the franchisor, Executive Home Care Franchising, LLC (“EHC”) is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until the franchisee is open for business.”

2. Item 17 is amended by the addition of the following language to the original language that appears therein;

- a. Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- b. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- c. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
- d. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.
- e. Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.
- f. ~~_____ (f) _____~~ Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- g. ~~_____ (g) _____~~ Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- h. ~~_____ (h) _____~~ Any provision in the Franchise Agreement which requires a franchisee to mediate or arbitrate at a location remote from the site of the franchisee’s business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment law.

- i. ~~(i)~~ Any provision in the Franchise Agreement which requires a franchisee to consent to the jurisdiction of courts outside of North Dakota has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment law.

South Dakota Disclosure

SOUTH DAKOTA ADDENDUM TO EXECUTIVE HOME CARE FRANCHISING, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF SOUTH DAKOTA

This ~~Amddendum~~ shall pertain to franchises sold in the State of South Dakota and shall be for the purpose of complying with SDCL 37-5B-5.

1. In recognition of the financial assurance condition imposed by the South Dakota Department of Labor and Regulation, Securities Division, pursuant to SDCL 37-5B-5, the Franchise Disclosure Document for Executive Home Care Franchising, LLC for use in connection with the offer and sale of franchise opportunities in the state of South Dakota shall be amended as follows:

Items 5 & 7 of the Franchise Disclosure Document are hereby amended to include the following disclosure:

“The South Dakota Department of Labor and Regulation, Division of Insurance, (the “Department”) has determined that the financial condition of the franchisor, Executive Home Care Franchising, LLC (“EHC”) is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until the franchisee is open for business. Section 6.1 of the Franchise Agreement is hereby amended accordingly.”

~~South Dakota Amendment to Franchise Agreement~~

~~AMENDMENT SOUTH DAKOTA ADDENDUM TO EXECUTIVE HOME CARE
FRANCHISING, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF SOUTH DAKOTA~~

This ~~Amendment~~ Addendum to the Executive Home Care, LLC Franchise Agreement shall pertain to franchises sold in the State of South Dakota and shall be for the purpose of complying with SDCL 37-5B-5.

WHEREAS, in recognition of the financial assurance condition imposed by the South Dakota Department of Labor and Regulation, Securities Division, pursuant to SDCL 37-5B-5, the Executive Home Care Franchising, LLC Franchise Agreement for use in connection with the sale of franchise opportunities in the state of South Dakota shall be amended as follows:

~~1.~~ Section 6.1 of the Franchise Agreement is hereby amended to include the following

1. language:

“The South Dakota Department of Labor and Regulation, Division of Insurance, (the “Department”) has determined that the financial condition of the franchisor, Executive Home Care Franchising, LLC (“EHC”) is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until the franchisee is open for business.”

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

FRANCHISOR:

Executive Home Care Franchising, LLC

By: _____

Title: _____

Signature: _____

Delivery Address: Executive Home Care Franchising, LLC
8100 E. Indian School Road, Suite 201
Scottsdale, AZ 85251

FRANCHISEE:

By: _____

Title: _____

Signature: _____

Address: _____

Virginia Disclosure

VIRGINIA ADDENDUM TO ~~EXECUTIVE HOME CARE FRANCHISING, LLC~~ FRANCHISE DISCLOSURE DOCUMENT ~~REQUIRED BY THE STATE OF VIRGINIA~~

This ~~Amddendumnt~~ shall pertain to franchises sold in the State of Virginia and shall be for the purpose of complying with the Virginia Retail Franchising Act.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Executive Home Care Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Items 5 and 7 are hereby amended to include 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.”

2. Item 17(h) of the Franchise Disclosure Document shall be amended to include the following disclosure:

“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 grounds 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.”

3. 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 in connection with the franchise.

WASHINGTON AMENDMENT TO ~~EXECUTIVE HOME CARE FRANCHISING, LLC~~
FRANCHISE AGREEMENT ~~REQUIRED BY THE STATE OF WASHINGTON~~

~~2.1.~~ In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

~~3.2.~~ ——— Section 6.1 of the Franchise Agreement is hereby amended to include the following language:

“The Washington Department of Financial Institutions (the “Department”) has determined that the financial condition of the franchisor’s parent, Executive Home Care Franchising, LLC (“EHC”), which has guaranteed the franchisor’s performance is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until EHC has fulfilled its initial pre-opening obligations and the franchisee is open for business.”

~~4.3.~~ RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

~~5.4.~~ In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

~~6.5.~~ A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

~~7.6.~~ Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

~~8.7.~~ Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

~~9.8.~~ RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. 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 in connection with the franchise.

~~14.1. 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 in connection with the franchise.~~

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISOR:

Executive Home Care Franchising, LLC

By: _____

Title: _____

Signature: _____

FRANCHISEE:

By: _____

Title: _____

Signature: _____

~~AMENDMENT~~ WASHINGTON ADDENDUM TO EXECUTIVE HOME CARE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT ~~REQUIRED BY THE STATE OF WASHINGTON~~

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. Item 5 is amended as follows:

“The Washington Department of Financial Institutions (the “Department”) has determined that the financial condition of the franchisor’s parent, Executive Home Care Franchising, LLC (“EHC”), which has guaranteed the franchisor’s performance is not adequate to fulfill its obligations to franchisees at this time. Accordingly, the franchisee’s obligation to pay the initial franchise fee shall be deferred until EHC has fulfilled its initial pre-opening obligations and the franchisee is open for business.”
3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
9. 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 in connection with the franchise.

Exhibit G

”
=

PRE-CLOSING QUESTIONNAIRE

[See Attached]

MAY NOT BE SIGNED OR USED IF FRANCHISEE RESIDES WITHIN, OR THE FRANCHISED BUSINESS WILL BE LOCATED WITHIN, A FRANCHISE REGISTRATION STATE¹

Pre-Closing Questionnaire

Pre-Closing Franchise Sales Compliance Questionnaire

Do not complete or sign this questionnaire if you are a resident of Maryland or Washington, or the business is to be located in Maryland or Washington.

The questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[To be completed by Franchisee and all Owners before signing Franchise Agreement]

As you know, you and Executive Home Care Franchising, LLC (the “Franchisor”) are about to enter into a franchise agreement for the development, opening and operation of an Executive Care Your Home Care Company® franchised business. The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor’s Franchise Disclosure Document?
Yes____ No____

2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
Yes____ No____

3. Have you received and personally reviewed the Executive Home Care Franchising, LLC Franchise Agreement and all accompanying Exhibits?
Yes____ No____

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of an Executive Care Your Home Care Company® business operated by Franchisor or any of its affiliates?
Yes____ No____

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of an Executive Care Your Home Care Company® franchised business operated by a franchisee?
Yes____ No____

¹ [Registration states include California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.](#)

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning an *Executive Care Your Home Care Company*® franchised business that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes____ No____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating an *Executive Care Your Home Care Company*® franchised business?

Yes____ No____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the amount of revenue an *Executive Care Your Home Care Company*® business will generate?

Yes____ No____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating an *Executive Care Your Home Care Company*® franchised business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating an *Executive Care Your Home Care Company*® business?

Yes____ No____

11. Has any employee or other person speaking on behalf of Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

12. Do you understand that Franchisor's approval of a territory or location for an *Executive Care Your Home Care Company*® franchised business does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of an *Executive Care Your Home Care Company*® franchised business within such territory or from such location?

Yes____ No____

13. Do you understand that the approval of Franchisor of a financing plan for operation of an *Executive Care Your Home Care Company*® business does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that an *Executive Care Your Home Care Company*® business will be successful if the financing plan is implemented?

Yes____ No____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes____ No____

15. Do you understand:

a. that your Franchised Business and its gross revenues and payroll expenses will be affected by a number of factors, including, demographics of your Approved Territory, competition, licensing or certification restrictions or limitations imposed by applicable law, the quality and services provided to your clients, your individual marketing and sales efforts, your own operational ability, including your experience in managing a business, your capital and financing (including working capital), continual training of you and your staff, client service orientation, service quality, and your business plan.

b. Your gross revenue may also be negatively impacted by not adhering to our System standards and specifications. Other matters affecting your sales may be inflation, the state of the economy and applicable law.

Yes____ No____

If you have answered “Yes” to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them.

Nothing in this Exhibit G is intended to require a prospective franchisee to assent to a release, estoppel or waiver of liability under the Maryland Franchise Registration and Disclosure Law; nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

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 in connection with the franchise.

PROSPECTIVE FRANCHISEE/APPLICANT:

By: _____

Print Name: _____

Date: _____

Exhibit H

Operations Manual Table of Contents

TABLE OF CONTENTS

	Page
1. Timeline	
1.1 Executive Care Pre-Opening Timetable	1
2. Introduction to Executive Care	
2.1 Letter from Executive Care Franchise Team	6
2.2 Company Founders	6
2.3 Executive Care Mission, Vision, Brand Promise and Core Values	7
2.4 Executive Care Code of Ethics	8
2.5 Approved Territory	9
2.5.1 The Approved Territory	9
2.5.2 Demographics of Your Territory	9
3. Introduction to Private Duty Home Care	
3.1 What is Private Duty Home Care?	13
3.2 Private Duty Home Care vs. Medical Home Care Services	13
3.3 Who needs Private Duty Home Care?	13
3.4 Why Private Duty Home Care?	14
3.5 Who Buys Private Duty Home Care?	15
3.6 Who Provides Medical and Non-Medical Home Care?	15
3.7 What Types of Agencies Provide Home Care?	15
3.8 Who Pays for Private Duty Home Care?	15
4. Business Set Up	
4.1 Office Structure Goals	19
4.2 Tax, Corporate and Legal Structure	20
4.3 Setup Requirements Prior to Operation	21
4.4 Obtain State Home Care License	22
4.5 Obtain A Vehicle	22
4.6 Accreditation for Your Executive Care Business	22
4.7 Insurance Requirements	23
5. Financial Planning	
5.1 Financial Planning	28
5.2 Forecasting	29
5.3 Calculating Break-Even Point	30
5.4 Projecting Profit and Loss	32
5.5 Projecting Cash Flow	33

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CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

TABLE OF CONTENTS

5.6 Caregiver Pay	35
6. Office Organization	39
6.1 Office Structure	39
6.2 Office Manager	41
6.2.1 Office Manager Qualifications	41
6.2.2 Office Manager Responsibilities and Activities	42
6.3 Marketer	43
6.3.1 Marketer Qualifications	43
6.3.2 Marketer Responsibilities and Activities	43
6.3.3 Marketer Traits and Characteristics	43
6.4 Registered Nurses	44
6.4.1 Registered Nurse Qualifications	44
6.4.2 Registered Nurse Coordination Performance Criteria	45
6.5 Coordinator	46
6.5.1 Coordinator Qualifications	46
6.5.2 Coordinator Performance Criteria	46
7. Technology	
7.1 Technology	50
8. Office Operations	
8.1 Employees	54
8.1.1 Employee Handbook	54
8.1.2 Hiring Packet	57
8.1.2.1 Caregiver Hiring Packet	57
8.1.2.2 Office Personal Hiring Packet	58
8.1.2.3 Nurse Hiring Packet	58
8.1.3 Employee Charts	59
8.1.3.1 Caregiver Employee Chart	60
8.1.3.2 Office Personnel Employee Chart	61
8.1.3.3 Nurse Employee Chart	62
8.2 Caregiver Recruiting	63
8.2.1 Caregiver Recruiting	63
8.2.2 What is Recruiting?	63
8.2.3 Interviewing	64
8.2.4 Selecting Caregivers	64
8.2.5 Reference Checks	67
8.2.6 Criminal Background Check	67
8.2.7 Documentation at Hire	68
8.2.8 Orient Caregivers	68
8.2.9 Who is your Target?	71
8.2.10.1 Where To Find Home Health Aides	71
8.2.10.2 Positive Recruitment	71
8.2.10.3 The Power Of Social Media	71
8.2.10.4 Internet Job Boards	72
8.2.10.5 Vocational Schools	72

2020 Executive Home Care Franchising, LLC All Rights Reserved

CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

TABLE OF CONTENTS

8.2.10.6 Wrapped Vehicle	72
8.2.10.7 Recruiting Tips	72
8.2.10.8 Recruitment Advertising	74
8.2.10.9 Caregiver Training	76
8.2.10.10 Caregiver Retention	76
8.3 Clients	79
8.3.1 Sign-Up Packet	79
8.3.2 Client Chart	81
8.4 KanTime Procedure	82
8.4.1 KanTime Caregiver Intake Procedure	82
8.4.2 KanTime Caregiver Profile Procedure	85
8.4.3 KanTime Caregiver Experience Procedure	93
8.4.4 KanTime Caregiver Messages, Schedule and Accounts Procedures	94
8.5 QuickBooks	95
8.5.1 Funding Your Account	95
8.5.2 Adding Expenses	96
9. Office Location and Set Up	
9.1 Where to Locate The Office?	101
9.2 What Should My Office Look Like?	101
9.2.1 Sample Office Space	102
9.3 What Kind Of Equipment And Supplies Are Required?	103
9.3.1 Office Equipment And Software	103
9.3.2 Telephone Service	103
9.3.3 Supplies	103
9.3.4 Personal Care Equipment/ Supplies	104
9.3.5 OSHA-Required Supplies	104
9.3.6 Caregiver Training Materials	104
10. Service Offering	
10.1 Description Of Private Duty Home Care Services	107
10.1.1 Personal Care Services	109
10.1.2 Live-In Care Services	110
10.1.3 Companionship Services	110
10.1.4 Homemaking Services	111
10.1.5 Supplemental Staffing Services	111
10.1.6 Skilled Care Services	112
10.2 Services Provided policy	112
10.3 Companionship Policy	114
10.4 Homemaker Services Policy	116
10.5 Personal Care Policy	119
10.6 Live-In Care Policy	123
10.7 Specialized Care Policy	127
10.8 Skilled Care Services Policy	129
10.9 Supplemental Staffing Policy	131

2020 Executive Home Care Franchising, LLC All Rights Reserved

CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

TABLE OF CONTENTS

11. Marketing Strategy and Pricing	135
11.1 Understand Your Competitive Edge	135
11.2 Foundation For Success	136
11.3 The Process Of Planning And Executing	137
11.4 Evaluating The Plan	138
11.5 Market Analysis	138
11.6 Pricing Services	138
11.7 Things to Consider When Pricing Home Care Services	138
11.7.1 When Determining a Price For Your Home Care Services you must know	138
11.7.2 Three Commonly Used Pricing Methods	139
11.8 Pricing to Actual Cost	139
11.9 Pricing to the Market	140
11.10 Pricing by Position	140
11.11 Other Considerations	140
12. Classroom Training	144
13. Grand Opening	146
14. Marketing and Relationship Selling	149
14.1 Marketing	149
14.2 Making Your Executive Care Business Different: Your Competitive Advantage	151
14.3 The Power of Mastering Your Business	152
14.4 Promotional Mix	152
14.5 Relationship Selling	155
14.6 Five Keys To Asking Intelligently	157
14.7 How to Build and Maintain Relationships	158
14.8 Commitment/ Sales Process	160
14.9 Network Effectively	160
14.10 Business Attire	163
14.11 Market Survey	163
14.12 Demographics and the Population Of Your Territory	163
14.13 Information Gathering	164
14.14 Tiers of Referral Sources	166
14.14.1 Tier 1: Acute and Sub-Acute Care	166
14.14.2 Tier 2: Other In-Home Care Providers	167
14.14.3 Tier 3: Secondary Service Providers	169
14.15 Rules for Effective Coordination Of Marketing and Advertising Efforts	171
14.15.1 Sales Efforts Outside the Designated Territory	172
14.15.2 Franchisor Rules Governing Effective Coordination Of Marketing and Solicitation Efforts	175

2020 Executive Home Care Franchising, LLC All Rights Reserved

CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

TABLE OF CONTENTS

14.16 Your Sales and Marketing Plan	176
14.16.1 Service Offerings	176
14.16.2 Pricing Structure	176
14.17 Establish Goals, Budget and Track Results	177
14.18 Evaluation and Effectiveness of the Sales Plan	177
14.19 Marketing home care is simply different from marketing other products and services	178
14.20 Developing your Networking Skills	179
14.21 Narrow Your Focus to Expand Your Business	180
14.22 A Menu of Options for Small Talk	180
14.23 Qualifying Accounts: Tips to Guide You to Getting in the Door	181
15. Client Intake	
15.1 Inquiry for Services	186
15.2 Client Intake Completion Process	190
15.3 Navigating Prices Questions	191
15.3.1 Overcoming Price Objection in Selling Your Services to Families	191
15.4 Collecting Information For Sales	193
15.5 Making and Scheduling The Home Visit	194
15.6 What to do if the Home Visit is Not Secured?	195
15.7 Inquiry for Services Conversion Tracking	195
15.8 KanTime Client Intake Procedure	196
16. Client In-Home Assessment & Start Of Care	
16.1 Sitting on the Sofa With the Family	202
16.2 Conducting In-Home Interview	203
16.3 Identify/ Assess Needs	204
16.4 Home Safety Assessment	204
16.5 Executive Care Service Agreement and other Applicable Forms	205
16.6 Schedule Staff	206
16.7 Develop Plan Of Care	206
16.8 Components of a Plan Of Care	207
16.9 Deliver/Provide Services	207
16.10 Stages through which Client and Caregiver passes	208
16.10.1 "Non- Medical"/"Activities of Daily Living"/"Custodial" Care stages	208
16.10.2 Other Events in "Non- Medical"/ "Activities of Daily Living"/ "Custodial" Care Stages	208
16.10.3 "Skilled Care" Stages	209
16.10.4 "Caregiver" Stages	209
16.11 KanTime Procedure	210
16.11.1 KanTime Client Profile Procedure	210
16.11.2 KanTime Client Plan of Care Procedure	216

2020 Executive Home Care Franchising, LLC All Rights Reserved

CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

TABLE OF CONTENTS

16.11.3 KanTime Client Insurance Info, Schedule and Accounts	220
Procedures	220
16.12 QuickBooks Procedure	221
16.12.1 Adding New Clients into QuickBooks	221
16.12.2 Recording Deposits in QuickBooks	223
17. Billing	
17.1 Billing Process	231
17.1.1 Reimbursable Expenses	233
17.2 Accounts Receivable	233
17.3 KanTime Billing Procedures	235
17.4 QuickBooks Billing Procedure	236
17.4.1 Printing Invoices	236
17.4.2 Receiving Payments	239
17.4.3 Different Types of Payments	240
18. Payroll	
18.1 Payroll Process	243
18.1.1 Reimbursable Expenses	243
18.2 Kantime Payroll Procedure	245
19. Customer Service	
19.1 Customer Service	247
19.1.1 Creating Unequaled Customer Service	248
19.1.2 Turing Mistakes Into Loyalty	249
19.1.3 Client Dissatisfaction	250
19.1.4 Causes of Poor Customer Service	251
19.1.5 Managing " Multiple Points of Contact" Model	251
19.2 Call Handling	252
19.2.1 Client Call Standard	253
19.2.2 Best Practices For Call Handling	254
19.2.3 Calls During Business Hours	254
19.2.4 Business Hours Return Call Handling	255
19.2.5 After Hours Call Handling	255
19.2.6 Answering Service Handling	257
19.3 Franchise To Franchise Transfer	257
20. Franchisor/ Franchisee Relations	
20.1 What is Expected of a Franchisee	261

2020 Executive Home Care Franchising, LLC All Rights Reserved

CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

TABLE OF CONTENTS

21. Managing Your Business	
21.1 Planning	265
21.2 Organizing	265
21.3 Leading	267
21.4 Managing	267
21.5 Charts of Accounts	269

2020 Executive Home Care Franchising, LLC All Rights Reserved

CONFIDENTIAL AND PROPRIETARY

Each Office is Independently Owned and Operated

v. 1.7

Exhibit I

Form of General Release
EXHIBIT "H"

OPERATIONS MANUAL TABLE OF CONTENTS

Executive Home Care Franchise Operations Manual Master Table of Contents

SECTION A: INTRODUCTION

WELCOME LETTER.....	1
EXECUTIVE HOME CARE MISSION, VISION, VALUES, BRAND PROMISE	2
Mission ◀.....	2
Vision ◀.....	2
Values ◀.....	2
Brand Promise ◀.....	2
HISTORY OF EXECUTIVE HOME CARE	3
SERVICES PROVIDED TO FRANCHISEES	4
Advertising Materials ◀.....	4
Annual Conference ◀.....	4
Approved Suppliers ◀.....	4
Corporate Website ◀.....	5
Franchisee Advisory Council ◀.....	5
Initial Training ◀.....	5
Ongoing Training and Support ◀.....	5
On-Site Training ◀.....	6
Protected Territory ◀.....	6
Site Selection ◀.....	6
Use of Trademarks ◀.....	6
FRANCHISEE RESPONSIBILITIES	7
Responsibilities to Clients and Families ◀.....	7
Responsibilities to Employees ◀.....	8
Responsibilities to your Fellow Franchisees ◀.....	9
Responsibilities to the Franchisor ◀.....	9
PAYING OTHER FEES.....	10
Additional Training ◀.....	10
Annual Convention ◀.....	10
Attorneys' Fees ◀.....	11
Audit ◀.....	11
Call Center ◀.....	11
Client Service ◀.....	11
Evaluation of Suppliers ◀.....	11
Indemnification ◀.....	12
Interest ◀.....	12
Successor ◀.....	12
Taxes ◀.....	12
Technology Systems ◀.....	12
Transfer ◀.....	13
VISITS FROM THE CORPORATE OFFICE	14

SECTION B: PRE-OPENING PROCESS

PRE-OPENING CHECKLIST	1
ESTABLISHMENT OF BUSINESS IDENTITY.....	3
COMPLIANCE WITH LOCAL LICENSING/CERTIFICATION	
REGULATIONS	4
BUSINESS PLANNING.....	5
MARKET ANALYSIS	7
SELECTING A SITE.....	8
Site Selection Criteria ◀.....	8
Site Acceptance ◀.....	8
Lease Considerations ◀.....	9
Negotiating a Lease ◀.....	9
SETTING UP YOUR OFFICE.....	12
INITIAL OFFICE PURCHASING REQUIREMENTS	13
CONTRACTING WITH REQUIRED	
UTILITIES AND SERVICES	15
REQUIRED LICENSES AND PERMITS.....	16
SETTING UP BANK ACCOUNTS.....	17
Accounts to Open ◀.....	17
OBTAINING INSURANCE.....	18
PAYING TAXES.....	20
Federal Taxes ◀.....	20
State Taxes ◀.....	21
GRAND OPENING	22

SECTION C: HUMAN RESOURCES

HELPFUL LINKS/RESOURCES.....	1
EEOC GUIDELINES FOR HIRING EMPLOYEES.....	3
Employers Covered by EEOC-Enforced Laws ◀.....	3
How Employees Are Counted ◀.....	4
Record Keeping Requirements ◀.....	4
Reporting Requirements ◀.....	5
Charge Processing Procedures ◀.....	5
Mediation ◀.....	6
Remedies ◀.....	6
Regulatory Enforcement Fairness Act ◀.....	6
Technical Assistance ◀.....	7
Informal Guidance ◀.....	7
Publications ◀.....	7
WAGE AND LABOR LAWS.....	8
Fair Labor Standards Act ◀.....	8

Executive Home Care Franchise Operations Manual Master Table of Contents

<ul style="list-style-type: none"> What the FLSA Requires ◀ 9 What the FLSA Does Not Require ◀ 10 FLSA Minimum Wage Poster ◀ 11 Other Mandatory Labor Law Posters ◀ 11 LAWS REGARDING HARASSMENT 13 <ul style="list-style-type: none"> Sexual Harassment ◀ 13 Racial and Ethnic Harassment ◀ 14 Pregnancy Discrimination ◀ 14 Religious Accommodation ◀ 14 IMMIGRATION REFORM/CONTROL ACT 15 AMERICANS WITH DISABILITIES ACT (ADA) 16 <ul style="list-style-type: none"> Who is Protected? ◀ 16 What is Covered? ◀ 16 Ensuring Compliance ◀ 17 ADA Survey and Enhancements ◀ 17 ADA Resources ◀ 17 PROFILE OF THE IDEAL EXECUTIVE HOME CARE EMPLOYEE 18 JOB DESCRIPTIONS 20 GENERATING APPLICANTS 21 <ul style="list-style-type: none"> Employment Applications ◀ 23 Prescreening ◀ 23 THE INTERVIEW PROCESS 25 <ul style="list-style-type: none"> Conducting the Interview ◀ 29 MAKING THE HIRING DECISION 31 <ul style="list-style-type: none"> Reference Check ◀ 31 Background Checks ◀ 31 Drug Screening and License Verification ◀ 32 Job Offer ◀ 32 PERSONNEL RECORDS 34 <ul style="list-style-type: none"> Employee Charts ◀ 34 DEVELOPING EMPLOYEE POLICIES 37 ORIENTATION AND TRAINING 38 <ul style="list-style-type: none"> Training Tips ◀ 38 Ongoing Training ◀ 40 TIME TRACKING AND PAYROLL 41 UNIFORM/DRESS CODE 42 PERFORMANCE EVALUATIONS 43 <ul style="list-style-type: none"> Evaluation Process ◀ 44 PROGRESSIVE DISCIPLINE 46 TERMINATION/SEPARATION 48 	<ul style="list-style-type: none"> Termination ◀ 48 Resignation ◀ 49 SECTION D: RECRUITING CAREGIVERS CAREGIVER RECRUITMENT 1 PROFILE OF THE IDEAL CAREGIVER 2 JOB DESCRIPTION 3 RECRUITMENT STRATEGIES 4 <ul style="list-style-type: none"> Generating Applicants ◀ 4 Prescreening ◀ 5 Establishing a Pay Scale for Caregivers ◀ 6 INTERVIEWING POTENTIAL CAREGIVERS 8 VETTING PROCESS 9 ORIENTATION AND TRAINING 11 <ul style="list-style-type: none"> New Hire Paperwork/Documentation ◀ 12 Competency Assessments ◀ 13 Training ◀ 14 Creating New Caregiver Profiles ◀ 14 CAREGIVER DRESS CODE 15 INITIAL ASSIGNMENT/SERVICE 16 CAREGIVER PERFORMANCE ASSESSMENTS 17 CAREGIVER RETENTION 18 SECTION E: MANAGEMENT MANAGEMENT PHILOSOPHY 1 DETERMINING YOUR PRICING 2 MANAGING PERSONNEL 3 <ul style="list-style-type: none"> Communication ◀ 3 Employee Meetings ◀ 4 Motivating Staff ◀ 6 Scheduling ◀ 7 Matching Caregivers to Clients ◀ 7 INVENTORY MANAGEMENT 8 OPERATIONAL REPORTING 9 FRANCHISE REPORTING 10 <ul style="list-style-type: none"> Royalty Payment ◀ 10 Local Advertising ◀ 10 Electronic Funds Transfer ◀ 10 Financial Statements ◀ 11
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Executive Home Care Franchise Operations Manual Master Table of Contents

SECTION F: CLIENT RECRUITMENT & ASSESSMENT

UNDERSTANDING LTC INSURANCE	1
SCOPE OF SERVICES	4
LEAD MANAGEMENT	5
Digital Leads ◀	5
Organic Leads ◀	6
Identifying Referral Sources ◀	8
LEAD CATEGORIES AND FOLLOW UP CHECKLIST	11
INTAKE PROCEDURES	14
OVERVIEW OF THE IN-HOME ASSESSMENT	17
Determining Needs / Schedule ◀	18
NEW CLIENT PAPERWORK/DOCUMENTATION	21
Client Chart ◀	23
PLAN OF CARE	25

SECTION G: ADMINISTRATIVE PROCEDURES

HOURS OF OPERATION	1
OFFICE OPENING AND CLOSING PROCEDURES	2
PRIVACY PROCEDURES	5
HIPAA Requirements ◀	5
PHONE ETIQUETTE	6
Incoming Call Script Template ◀	6
Returning Calls ◀	7
After Hours Calls ◀	7
Calls for Outside of Your Territory / APR ◀	8
SCHEDULING CAREGIVERS	10
Matching Caregivers to Clients ◀	10
Caregiver Time Off ◀	11
Handling Call-Outs ◀	11
CLIENT SERVICE	14
Proactive Approach ◀	14
Providing Solutions ◀	15
Retaining Clients ◀	16
Multiple People Living in the Home ◀	17
Handling Complaints / Grievances ◀	17
Dissatisfied Clients ◀	18
Removing/Replacing Caregivers ◀	19
Client Termination Procedures ◀	20
Client Transfer to External Facility ◀	20
Client Moving ◀	21

Client Deceased ◀	22
Obtaining Feedback ◀	22
QUALITY ASSURANCE CHECKS	24
Completing Quality Assurance Checks ◀	24
Quality Assurance Check Schedule ◀	25
BILLING PROCEDURES	26
Collecting a Deposit ◀	26
Invoicing ◀	26
Accepting Checks ◀	27
Accepting Credit Cards ◀	27
Collections ◀	28
SAFETY AND SECURITY	30
Accident Reporting and Investigation ◀	30
Workers' Compensation Issues ◀	31
OFFICE MAINTENANCE	32
Daily ◀	32
Weekly ◀	33

SECTION H: CLIENT CARE

CLIENT CARE PHILOSOPHY	1
CLIENT PLAN OF CARE	2
Changes in Plan of Care ◀	2
FIRST DAY OF CARE	5
ARRIVING AT A CLIENT'S HOME	6
If the Client Doesn't Answer the Door ◀	7
Refusal of Care ◀	7
PROVIDING SERVICE TO CLIENTS	9
Client Chart ◀	9
Meals and Food Handling ◀	9
Medication Reminders ◀	11
Financial Transactions ◀	12
Transportation ◀	13
DEPARTING THE HOME	14
CHANGES AND CANCELLATIONS	15
Extra Services/Extra Hours ◀	15
Changes in Schedule and Cancellations ◀	15
Weather-Related Cancellations ◀	16
CARE IN A FACILITY	18
HOSPITALIZATION OF A CLIENT	19
Advance Directives ◀	19
ENVIRONMENTAL SAFETY	22

Executive Home Care Franchise Operations Manual

Master Table of Contents

PERSONAL SAFETY	24
EMERGENCY PROCEDURES	26
Client Health Emergency ◀.....	26
Caregiver Emergency ◀.....	29
Aggressive Clients ◀.....	29
Malfunction of Durable Medical Equipment ◀.....	30
Universal Precautions ◀.....	30
Handwashing ◀.....	33
Blood-Borne Pathogens ◀.....	36
Oxygen ◀.....	37
Suspicion of Abuse ◀.....	39
Incident Reporting ◀.....	39

SECTION I: MARKETING

SALES AND MARKETING STRATEGY	1
REQUIRED ADVERTISING EXPENDITURES	2
PROMOTING EXECUTIVE HOME CARE IN YOUR AREA	3
Print Advertising ◀.....	3
Word of Mouth ◀.....	5
Website ◀.....	5
Social Media ◀.....	6
REFERRAL SOURCES	14
Working with Referral Sources ◀.....	14
GUIDELINES FOR USING EXECUTIVE HOME CARE MARKS	17
PUBLIC RELATIONS	19
Writing a Press Release ◀.....	19
Putting Together a Press Kit ◀.....	19
COMMUNITY INVOLVEMENT	21
ADVERTISING MATERIAL APPROVAL	23

APPENDICES:

BRAND GUIDE

EMPLOYEE RECRUITMENT AND ONBOARDING

FORMS AND SAMPLES

PRE-OPENING

TRAINING GUIDES

EXHIBIT "I"
FORM OF GENERAL RELEASE

GENERAL RELEASE

(RENEWAL, TRANSFER, RELOCATION)

THIS GENERAL RELEASE (the “Release”) is made and entered into on this _____ day of _____, 20_____ (the “Effective Date”), by and between:

Executive Home Care Franchising, LLC a New Jersey corporation with its principal place of business at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251 (“Franchisor”); and

_____ a [resident of] [corporation organized in][limited liability company organized in] _____ and having offices at _____ [“(Franchisee”)] [“(Transferor)”].

BACKGROUND:

A. Franchisor and [Franchisee][Transferor] are parties to a Franchise Agreement dated (the “Franchise Agreement”); and

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee’s rights under Section 4.6 the Franchise Agreement (the “Renewal Transaction”)] [to permit a transfer pursuant to Section 9 of the Franchise Agreement (the “Transfer Transaction”)] [to permit a relocation pursuant to Section 4.5 of the Franchise Agreement (the “Relocation Transaction”)], and in connection with the [Renewal Transaction] [Transfer Transaction] [Relocation Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction] [Relocation Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the “Franchisee Group”), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the “Franchisor Group”) from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of the Executive Care franchise. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys’, accountants’ and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any client, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Franchise Agreement or the Executive Care franchise. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party’s respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this

Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.6. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

A general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Executive Home Care Franchising, LLC

Franchisor

Franchisee/Transferor

By: _____

By: _____

Name: _____

Name:

Title: _____

Title: _____

Exhibit J

Form of Business Associate Agreement

~~Exhibit~~ EXHIBIT “J”

FORM OF BUSINESS ASSOCIATE AGREEMENT

EXECUTIVE HOME CARE BUSINESS ASSOCIATE AGREEMENT

This **BUSINESS ASSOCIATE AGREEMENT** (“Agreement” or “BAA”) is entered into as of the _____ day of _____, 20____, (the “Effective Date”) by and between the _____ independently owned and operated franchise business _____ (“Covered Entity”) and Executive Home Care Franchising, LLC (“Business Associate”).

RECITALS

WHEREAS, Covered Entity and Business Associate have entered into an agreement, in which Business Associate has granted Covered Entity and Covered Entity has accepted a franchise to own and operate an Executive Care franchise (“Franchised Business”), using the Marks and the System (the “Franchise Agreement”);

WHEREAS, Covered Entity and Business Associate desire to enter into this BAA in order to ensure that Business Associate’s access to and use or disclosure of any and all information relating to Business Associate’s and Business Associate’s franchises’ Clients (defined below) (i) complies fully with the requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the regulations promulgated thereto by the Department of Health and Human Services (“HHS”) and codified at 45 C.F.R. Parts 160 and 164 (the “Regulations”), as amended from time to time, including by the Health Information Technology for Economic and Clinical Health Act (“HITECH”).

NOW, THEREFORE, in consideration of the mutual covenants and promises more fully set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

- A. **DEFINITIONS.** The following terms are defined as set forth below. Terms used herein but not otherwise defined will have the meaning ascribed to such terms in the Regulations:
1. “Breach” will have the meaning set forth in 45 C.F.R. §164.402.
 2. “Business Associate” will generally have the same meaning as the term “business associate” at 45 CFR §160.103, and in reference to this BAA, will mean the entity defined as Business Associate in the introductory paragraph of this BAA.
 3. “Client” means a person who receives non-medical companion caregiver in home care services, and supplemental healthcare staffing from Covered Entity.
 4. “Covered Entity” means the entity defined as Covered Entity in the introductory paragraph of this BAA. It will also have the meaning given to the term under the Privacy Rule, including not limited to 45 CFR §160.103.
 5. “Electronic Protected Health Information” or “EPHI” will have the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103, limited to the information that Business Associate creates, receives, maintains, or transmits from or on behalf of Covered Entity.
 6. “Individual” will have the same meaning as the term “individual” in 45 C.F.R. § 160.103, and will include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
 7. “Marketing” will have the same meaning as the term “marketing” in 45 C.F.R. § 164.501.
 8. “Marks” means the trademarks, trade names, logos, emblems, domain names, trade dress,

and other indicia of origin including, without limitation, the “EXECUTIVE CARE YOUR HOME CARE COMPANY®” mark and Executive Care trade name, licensed by Business Associate to Covered Entity under the Franchise Agreement and used by Business Associate to identify the System and the Franchised Business and to promote services in various media, including the Internet.

9. “Privacy Rule” means the Standards for Privacy of Protected Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, and amendments thereto.
 10. “Protected Health Information” or “PHI” will have the same meaning as the term “protected health information” in 45 C.F.R. § 160.103, limited to the information created, maintained, received or transmitted by Business Associate from or on behalf of Covered Entity. Unless otherwise stated in this BAA, any provision, restriction or obligation in this BAA related to the use of PHI shall apply equally to EPHI.
 11. “Research” will have the same meaning as the term “research” in 45 C.F.R. § 164.501.
 12. “Required by Law” will have the same meaning as the term “required by law” in 45 C.F.R. § 164.103.
 13. “Secretary” means the Secretary of the Department of Health and Human Services or his/her designee.
 14. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
 15. “Security Rule” means the Standards for Security of Electronic PHI at 45 C.F.R. Parts §160 and §164, Subparts A and C, and amendments thereto.
 16. “Subcontractor” means a person or entity to whom Business Associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of Business Associate.
 17. “System” means the business methods, technical knowledge, marketing concepts, trade secrets, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress and uniforms, and employee training techniques for the operation of businesses that provide in-home comprehensive care to home care clients, and that market and provide supplemental healthcare staff to institutional clients.
- B. **DISCLOSURE OF PHI TO BUSINESS ASSOCIATE.** The parties acknowledge that Covered Entity may furnish to Business Associate certain PHI in order to permit Business Associate to meet its obligations under the Franchise Agreement and may allow Business Associate to create, receive, maintain, or transmit PHI on its behalf, so long as a business associate agreement is in place. This BAA is intended solely to require and ensure that Business Associate’s use or disclosure of such PHI is handled in accordance with the Regulations. Business Associate acknowledges and agrees that all PHI that is created or received by Covered Entity and disclosed or made available in any form by Covered Entity to Business Associate, or is created, received, maintained, or transmitted by Business Associate on Covered Entity’s behalf, will be subject to this BAA.
- C. **OBLIGATIONS OF BUSINESS ASSOCIATE.** Business Associate agrees to comply with the provisions of the Regulations applicable to business associates including but not limited to:
1. Use and Disclosure. Except as otherwise permitted by this BAA or as Required by Law,

Business Associate will not use or disclose PHI except as necessary to adhere to the terms of engagement set forth in the Franchise Agreement, and will not use or disclose PHI in a manner that would violate the Privacy Rule if used or disclosed by Covered Entity.

2. Minimum Necessary. Business Associate along with its agents or Subcontractors, if any, will only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. Business Associate agrees to comply with Section 13405(b) of HITECH and any regulations issued thereunder regarding the definition of “minimum necessary”.
3. Safeguards. Business Associate will develop, implement, maintain and use appropriate safeguards to ensure that PHI is not used or disclosed other than as provided by this BAA or as Required by Law.
4. Disclosure to Agents and Subcontractors. Business Associate will ensure that any Subcontractor that creates, receives, maintains or transmits PHI on behalf of Business Associate agrees in writing to the same restrictions that apply to Business Associate with respect to that PHI.
5. Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI available to Covered Entity or to the Secretary for purposes of determining Covered Entity’s compliance with the Regulations. Business Associate will notify Covered Entity regarding any PHI that Business Associate provides to the Secretary concurrently with providing such PHI to the Secretary, and upon request by Covered Entity, will provide Covered Entity with a duplicate copy of such PHI.
6. Access to Designated Record Sets. To the extent that Business Associate possesses or maintains PHI in a designated record set (“Designated Record Set”), Business Associate agrees to provide access, at the request of Covered Entity, and within ten (10) days and in the manner designated by Covered Entity, to PHI in a Designated Record Set, to Covered Entity or as directed by Covered Entity, to an Individual in order to meet the requirements under the Regulations. If an Individual makes a request for access to PHI directly to Business Associate, Business Associate will notify Covered Entity of the request within five (5) business days of such request and will cooperate with Covered Entity and allow Covered Entity to respond to the Individual.
7. Amendments to Designated Record Sets. To the extent that Business Associate possesses or maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to the Regulations at the request of Covered Entity or an Individual, within ten (10) days and in the manner designated by Covered Entity. If an Individual makes a request for an amendment to PHI directly to Business Associate, Business Associate will notify Covered Entity of the request within five (5) business days of such request and will cooperate with Covered Entity and allow Covered Entity to respond to the Individual. Business Associate will incorporate any amendments to PHI it receives from Covered Entity and will notify Covered Entity of any amended PHI that it receives from third parties relating to Covered Entity’s PHI.
8. Accountings. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to fulfill its obligations under the Regulations, including, but not limited to, responding to a request by an Individual for an accounting of disclosures in accordance with 45 C.F.R. § 164.528.
9. Requests for Accountings. Except in the case of a direct request from an Individual for an

accounting related to treatment, payment or healthcare operations disclosures through an electronic health record, if the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate will, within five (5) days of a request, notify Covered Entity of the request. Covered Entity will either inform Business Associate to provide such information directly to the Individual, or it will request the information to be immediately forwarded to Covered Entity for compilation and distribution to such Individual, and Business Associate will provide such information in its possession within ten (10) days of Covered Entity's request. In the case of a direct request for an accounting from an Individual related to treatment, payment or healthcare operations disclosures through electronic health records, Business Associate will provide such accounting to the Individual in accordance with Section 13405(c) of HITECH and such regulations as are adopted thereunder. Covered Entity and Business Associate agree that the provisions of this section related to accounting of disclosures for treatment, payment and healthcare operations purposes from an electronic health record will only be effective as of such date such accountings of disclosures are required under HITECH. Business Associate and any agent or Subcontractors will maintain the information required for purposes of complying with this section for such period of time as is required under the Regulations.

10. Unauthorized Use or Disclosure of PHI; Security Incident. Business Associate agrees to report to Covered Entity any unauthorized use or disclosure of PHI of which it becomes aware, and any Security Incident of EPHI of which it becomes aware. Business Associate will make the report to Covered Entity's Privacy Officer or if unavailable, to Covered Entity's Corporate Compliance Officer or to an authorized person in Covered Entity's legal department as soon as reasonably practicable, not to exceed five (5) business days of the date on which Business Associate first discovers the use, disclosure, or Security Incident. In addition to its other obligations under this BAA, Business Associate will take prompt action to correct any Security Incident or use or disclosure of PHI not permitted under this BAA and any action pertaining to such Security Incident or unauthorized use or disclosures as required by applicable federal or state laws and regulations. Notwithstanding the foregoing, the Parties acknowledge and agree that Business Associate need not report all attempted but unsuccessful Security Incidents to Covered Entity, and that this BAA constitutes notice to Covered Entity that such unsuccessful Security Incidents occur periodically. Unsuccessful Security Incidents include, but are not limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as such incidents do not result in actual unauthorized access, use, or disclosure of EPHI.
11. Breaches of Unsecured PHI. Business Associate will report to Covered Entity any Breach of Unsecured PHI by Business Associate. All notifications of Breach of Unsecured PHI will be made by Business Associate to Covered Entity without unreasonable delay and in no event later than five (5) days of discovery. Business Associate will use the standard at 45 C.F.R. § 164.410(a) to determine when the Breach is treated as discovered. All notifications will comply with Business Associate's obligations under, and include the information specified in, 45 C.F.R.

§ 164.410 and include any other available information that Covered Entity is required to include in its notification to individuals pursuant to 45 C.F.R. § 164.404(c). In the event of a Breach by Business Associate, Business Associate will cooperate with Covered Entity to notify, (i) individuals whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used or disclosed, and (ii) the media, as required pursuant to 45

C.F.R. § 164.406, if the legal requirements for media notification are triggered by the circumstances of such Breach.

12. Security. Business Associate will develop, implement, maintain and use appropriate safeguards, and comply with the Security Rule, with respect to EPHI, to prevent use or disclosure of the PHI other than as provided for by this BAA.
13. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.
14. Covered Entity's Obligations Under Privacy Rule. To the extent that Business Associate is to carry out one or more of Covered Entity's obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligations.

D. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE. Business Associate agrees to comply with the following provisions governing the use and disclosure of PHI:

1. Required by Law. Business Associate may use and disclose PHI as Required by Law.
2. To Carry Out Engagement. Except as otherwise limited in this BAA, for purposes of the services provided as part of the Franchise Agreement, Business Associate may use or disclose PHI solely to perform functions, activities, or services for, or on behalf of, Covered Entity, provided that such use or disclosure would not violate the Regulations if done by Covered Entity.
3. Management and Administration. Business Associate may use and disclose PHI it receives in its capacity as a Business Associate for its proper management and administration, and to carry out its legal responsibilities, provided that (i) disclosures are Required by Law, or (ii) Business Associate obtains, prior to the disclosure, reasonable assurances from the person to whom the PHI is disclosed that the PHI will be held secure and confidential as provided pursuant to this BAA and only disclosed as Required by Law or for the purpose for which it was disclosed to the person, and the person immediately notifies Business Associate of any and all instances of which it is aware in which the confidentiality of the PHI has been breached. In addition and except as otherwise limited in this BAA or the Franchise Agreement, Business Associate may use PHI to provide data aggregation services to Covered Entity pursuant to 45 C.F.R. §160.504(e)(2)(i)(B).
4. De-identified Information. Business Associate may use PHI to create information that is de-identified. Any such de-identification by Business Associate will be done in compliance with 45 C.F.R. § 164.514(b). Covered Entity agrees that de-identified information may be used and disclosed on Business Associate's own behalf. Covered Entity agrees that any de-identified information is and will remain the sole property of Business Associate and, due to the regulatory treatment of de-identified information, is no longer PHI and not subject to this BAA or the Regulations.

E. OBLIGATIONS OF COVERED ENTITY. Covered Entity agrees to comply with applicable federal and state confidentiality and security laws, specifically the provisions of HIPAA applicable to covered entities including but not limited to:

1. to not request Business Associate use or disclose PHI in any manner that would not be permissible under the Regulations if done by Covered Entity.

2. to inform Business Associate of any changes in the form of notice of privacy practices (the "Notice") that Covered Entity provides to Individuals pursuant to 45 C.F.R. §164.520, and provide Business Associate a copy of the Notice currently in use.
3. to inform Business Associate of any withdrawal of Authorization provided to Covered Entity by Individuals to use or disclose PHI pursuant to 45 C.F.R. §164.508 or any changes in or revocation of permission by an Individual to use or disclose PHI to the extent such changes may affect Business Associate's permitted or required uses and disclosures.
4. to notify Business Associate, in writing and in a timely manner, of any arrangements permitted or required of Covered Entity under 45 C.F.R. part 160 and 164 that may impact in any manner the use and/or disclosure of PHI by Business Associate under this BAA, including, but not limited to, restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity.
5. that Business Associate may make any use and/or disclosure of PHI permitted under 45 C.F.R. § 164.512 and this BAA.

F. TERM AND TERMINATION:

1. Term. This BAA will commence upon the Effective Date and will continue as long as Business Associate has use, custody or access to PHI subject to this BAA, and thereafter for the period required by the Regulations. This provision will also apply to PHI that is in the possession of any Subcontractors or agents of Business Associate.
2. Termination for Breach. Covered Entity is authorized to terminate this BAA as described in this Section if Covered Entity determines that Business Associate has violated a material term of this BAA. In the event that Covered Entity determines that Business Associate has violated a material term of this BAA, Covered Entity will provide written notice of such breach to Business Associate and provide an opportunity for Business Associate to cure the breach or end the violation. If Business Associate does not cure the breach or end the violation within the time specified by Covered Entity, then Covered Entity may immediately terminate this BAA; or Covered Entity may immediately terminate this BAA if Business Associate has breached a material term of this BAA and Covered Entity determines that cure is not possible.
3. Effect of Termination. Upon termination of this BAA, Business Associate agrees to return or destroy all PHI received from Covered Entity, or created, received, maintained, or transmitted by Business Associate or its agents or Subcontractors on behalf of Covered Entity. If Business Associate reasonably determines that the return or destruction of PHI is not feasible, Business Associate will inform Covered Entity in writing of the reason thereof, and will agree to extend the protections of this BAA to such PHI and limit further uses and disclosures to only those purposes which make the return or destruction of the PHI not feasible for so long as Business Associate maintains such PHI.

G. MISCELLANEOUS

1. Regulatory References. A reference in this BAA to a section in the Regulations means the section as in effect or as amended or modified from time to time, including any corresponding provisions of subsequent superseding laws or regulations.
2. Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for Covered Entity to comply with the requirements of the Regulations.

3. Interpretation. Any ambiguity in this BAA will be resolved to permit Covered Entity and Business Associate to comply with the Regulations. In the event of any inconsistency between the provisions of this BAA, the Franchise Agreement and the Regulations, the Regulations will control.
4. Notice. Any notice, demand or consent required or permitted to be given hereunder will be deemed given only if hand-delivered, if sent by registered or certified mail, return receipt requested or if by overnight mail delivery for which evidence of delivery is obtained by the sender at the address set forth below or such other address as either party may designate in writing:

To Covered Entity: _____

 Attn: _____

To Business Associate: Executive Home Care Franchising, LLC
 8100 E. Indian School Road, Suite 201
 Scottsdale, AZ 85251
 Attn: _____

Electronic mail will not constitute written notice for purposes of the BAA.

5. Incorporation. The terms of this BAA are hereby incorporated into the Franchise Agreement. In the event of a conflict between the terms of this BAA and the terms of the Franchise Agreement, the terms of this BAA will prevail. The terms of the Franchise Agreement which are not modified by this BAA will remain in full force and effect in accordance with the terms thereof.
6. Governing Law. This BAA will be governed by, and construed in accordance with, the laws of the State of Arizona, exclusive of conflict of law rules. Each party to this BAA hereby agrees and consents that any legal action or proceeding with respect to this BAA will only be brought in the courts of the state where Business Associate is located in the county where Business Associate is located.
7. Entire Agreement. The Franchise Agreement together with this BAA constitutes the entire agreement between the parties with respect to the subject matter contained herein, and this BAA supersedes and replaces any former BAA entered into by the parties.
8. Binding Effect. This BAA will be binding upon the successors and assigns of the parties herein. This BAA is intended to confer rights and responsibilities on Covered Entity and Business Associate and does not create or vest rights or remedies in any third party.
9. Relationship of the Parties. Nothing in this BAA will create any relationship between Covered Entity and Business Associate other than as independent contractors. No employee or agent of either party may be deemed an employee or agent of the other party by reason of this BAA.
10. Survival. The respective rights and obligations of Business Associate and Covered Entity under Sections C, D, F and G of this BAA shall survive the termination of this BAA.

11. Unenforceability. In the event that any provision of this BAA is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this BAA will remain in full force and effect. In addition, in the event either Party believes in good faith that any provision of the BAA fails to comply with the then-current requirements of HIPAA, the Regulations, and other applicable law, including but not limited to HITECH and all regulations promulgated thereunder, that Party will notify the other Party in writing. For a period of up to thirty (30) days, the Parties will address in good faith such concern and will amend the terms of this BAA if necessary to bring it into compliance. If after such thirty (30) day period either Party in good faith believes that this BAA fails to comply with HIPAA, the Regulations, and other applicable law, including but not limited to HITECH and all regulations promulgated thereunder, then that Party has the right to terminate this BAA upon written notice to the other Party.

IN WITNESS WHEREOF, the parties hereto have entered into this BAA as of the Effective Date first set forth above by executing the BAA in the space provided below.

COVERED ENTITY:

[_____]

By: _____
Name: _____
Title: _____
Date: _____

BUSINESS ASSOCIATE:

Executive Home Care Franchising, LLC

By: _____
Name: _____
Title: _____

Date: _____

EXHIBIT "K"

~~Form Assignment and Assumption Agreement~~

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), among **[Insert name of individual that originally executed Franchise Agreement]** (“Assignor”), **[Insert name of new franchisee entity]** (“Assignee”), and Executive Home Care Franchising, LLC (“Franchisor”).

INTRODUCTION

Franchisor and Assignor are parties to an EXECUTIVE HOME CARE franchise agreement dated _____ (the “Franchise Agreement”), pursuant to which Assignor was granted the right to operate an EXECUTIVE HOME CARE business located at _____ (the “Business”). Assignor desires to assign **[his/her]** rights under the Franchise Agreement to Assignee, an entity that Assignor owns and controls, and is requesting Franchisor’s approval. Franchisor is willing to approve the assignment upon the terms and conditions stated below.

AGREEMENT

In consideration of the foregoing, the parties agree as follows:

1. Assignment. Assignor assigns and transfers to Assignee all of **[his/her]** rights, title, interest, duties and obligations under the Franchise Agreement and all agreements referenced therein, subject to Franchisor’s written consent as provided below.

2. Assumption. Assignee unconditionally and irrevocably agrees to assume and perform when and as due each and all of Assignor’s duties and obligations under the Franchise Agreement and all other agreements referenced therein. All references to “Franchisee” in the Franchise Agreement will mean **[Insert Assignee entity name]**.

3. Representation of Assignor. Assignor represents and warrants to Franchisor that **[he/she]** is the sole **[member/shareholder]** of Assignee as detailed on the updated Statement of Ownership attached as Exhibit A hereto, and that Assignee is a **[limited liability company/corporation]** in good standing in the State of _____. **[Note – Revise if necessary to reference any other permitted members/shareholders of the new entity.]**

4. Personal Guaranty. In consideration for Franchisor’s consent to the assignment of the Franchise Agreement, Assignor **[and each other member/shareholder listed on Exhibit A hereto]** agrees to guarantee Assignee’s obligations under the Franchise Agreement and to be personally liable under the Franchise Agreement and all other agreements referenced therein. Assignor **[and each other member/shareholder listed on Exhibit A hereto]** agrees to execute a personal guaranty (“Guaranty”) in the form attached hereto as Exhibit B.

5. Consent to Assignment. Franchisor consents to the assignment of the Franchise Agreement from Assignor to Assignee upon the condition that Assignor **[and any other member/shareholder]** executes the Guaranty as provided in Section 4 above. Franchisor’s consent to the assignment will not result in any release under the Franchise Agreement or any other agreement, and is not a consent to any additional or subsequent assignments.

6. Release. Assignor, and each of **[his/her]** respective heirs, successors and assigns, release and forever discharge Franchisor, its current and former affiliates, successors, assigns, officers, directors, employees, and agents, of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action of every nature, whether known or unknown, vested or contingent, which Assignor may now or in the future own or hold arising prior to and including the Effective Date.

7. Miscellaneous. This Agreement, and the documents referred to herein, represent the entire

agreement among the parties respecting the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought.

The parties have signed this Agreement as of the Effective Date.

ASSIGNEE:

ASSIGNOR:

Add New Entity Name Here

By: _____
Its: _____

By: _____
Add Name, individually

ASSIGNEE'S GUARANTOR:

FRANCHISOR:

Executive Home Care Franchising, LLC

By: _____
Add Name, individually

By: _____
Its: _____

EXHIBIT A STATEMENT OF OWNERSHIP

Franchisee:

Form of Ownership(Check One)

_____	_____	_____	_____
Individual	Partnership	Corporation	Limited Liability Company

In the space below, provide the name and address of each partner, if Franchisee is a Partnership, and state (1) the percentage owned, (2) whether such partner is active in management, and (3) the state in which the partnership was formed.

If Franchisee is a Corporation or Limited Liability Company, (1) give the state and date of incorporation or organization, (2) state the names and addresses of each officer and director or manager, and (3) list the names and addresses of every shareholder or member, showing the percentage of stock or interest owned by each.

Also provide below the address where the Franchisee's financial records, and partnership, corporate or company records, as applicable, are maintained (Business location will be deemed to be the address unless otherwise stated below):

Franchisee acknowledges that this Statement of Ownership applies to the EXECUTIVE HOME CARE business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information during the term of the Franchise Agreement must be reported to the Franchisor in writing.

Date:

Name

EXHIBIT B

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, consent by Executive Home Care Franchising, LLC (“**Franchisor**”) to the assignment of that certain Franchise Agreement dated _____ (the “**Agreement**”), each of the undersigned (jointly and several referred to as “**Guarantor**”) hereby personally and unconditionally:

- a. Guarantees to the Franchisor, and its successors and assigns, payment and performance of all debts, obligations, undertakings, agreements, and covenants (“**Obligations**”) of the Franchisee, as that term is defined in the Agreement, in favor of the Franchisor, whether existing now or hereafter arising, including the restrictive covenants in [Section], the indemnification obligations in Section 8.5 and the arbitration-related provisions in Section 11.7 of the Agreement; and
- b. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each Guarantor waives the following:

1. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;
2. Notice of the creation, existence or maturity of any Obligations;
3. Notice of demand for payment or performance of any Obligations;
4. Notice of default, extension of time, protest, presentment, and notice of dishonor and diligence in collection with respect to the Obligations;
5. Any right he or she may have to require that any action be brought against the Franchisee or any other person as a condition of liability; and
6. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

1. His or her direct and immediate liability under this guaranty shall be joint and several;
2. He or she shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so;
3. Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person; and
4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims or security, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including renewals thereof.

Notwithstanding anything to the contrary in this Guaranty, Guarantor hereby irrevocably waives all rights he may have at law or in equity (including any law subrogating the Guarantor to the rights of the Franchisor) to seek contribution, indemnification, or any other form of reimbursement from the Franchisee, any other guarantor, or any other person now or hereafter primarily or secondarily liable

for any obligations of the Franchisee to Franchisor, for any disbursement made by the Guarantor under or in connection with this Guaranty or otherwise.

This Guaranty is continuing and covers all Obligations, whether such Obligations now exists or arises hereafter, regardless whether at any point in time the Obligations to the Franchisor may be paid in full or otherwise extinguished.

Guarantor acknowledges and agrees that this Guaranty may be revoked only by a writing signed by all parties hereto and that any such revocation shall be effective only as to any Obligations incurred after the effective date of the revocation.

Guarantor hereby agrees to indemnify and hold Franchisor harmless from and against any liability asserted against Franchisor based upon any claim or legal action filed against Franchisor based in whole or part upon a claim under 11 U.S.C. §547(b) or 11 U.S.C. §550 resulting from or connected with this Guaranty.

The provisions of [Sections ___ and ___] of the Agreement will apply as to any interpretation or enforcement of this Guaranty, and the provisions of Section 11.3 of the Agreement will apply to any notice to either party, except that notice to Guarantors will be provided at the following alternative address (if applicable): _____ . If no address is provided, any notice to Guarantors will be sent to the address designated in Section 11.3 of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed.

WITNESS

GUARANTOR(S)

Exhibit **FORM ASSIGNMENT AND ASSUMPTION AGREEMENT**

EXHIBIT “L”

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	February 3, 2024
Hawaii	Pending
Florida	Effective
Illinois	February 3 April 28, 2024
Indiana	Effective
Maryland	February 6, 2024
Michigan	Effective November 5, 2024 (amended April
Minnesota	Pending
New York	Not Registered
North Dakota	February 8, 2024
Rhode Island	Effective
South Dakota	Effective May 2, 2024
Utah	Effective
Virginia	February 1, 2024
Washington	Pending
Wisconsin	February April 28, 2024 (amended May 1,

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit M

Receipts

Receipt

EXHIBIT "M"

RECEIPTS

RECEIPT

~~This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.~~

~~If Executive Home Care Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.~~

~~New York requires that Executive Home Care Franchising, LLC gives 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 Executive Home Care Franchising, LLC gives 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 Executive Care 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit E.~~

~~The franchisor is Executive Home Care Franchising, LLC, located at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. Its telephone number is (855) 393-2372.~~

~~Issuance Date: April 26, 2023 as amended January 31, 2024.~~

~~The franchise seller for this offering is: [Check all that apply.]~~

~~Name: Jason Wiedder _____
Address: 8100 E. Indian School Road, Suite 201 _____
Scottsdale, AZ 85251 _____
Telephone: (855) 393-2372 _____
Name: _____
Address: _____
Telephone: _____~~

~~Executive Care authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state:~~

~~I received a Franchise Disclosure Document dated April 26, 2023 as amended January 31, 2024, that included the following Exhibits:~~

A. Franchise Agreement	G. Pre-Closing Questionnaire
B. Financial Statements	H. Table of Contents of Operations Manual
C. List of Franchisees	I. Form of General Release
D. List of Former Franchisees	J. Form of Business Associate Agreement
E. State Administrators and Agents for Service of Process	K. Form Assignment and Assumption Agreement
F. State Addenda	L. State Effective Dates
	M. Receipt Pages

~~Please sign and print your name below, date and return one copy of this receipt to Executive Home Care Franchising, LLC and keep the other for your records.~~

~~_____~~
~~Date of Receipt _____ Print Name: _____~~

~~_____~~
~~Date of Receipt _____ Print Name: _____~~

Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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Michigan requires that Executive Home Care Franchising, LLC gives 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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The franchisor is Executive Home Care Franchising, LLC, located at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. Its telephone number is (855) 393-2372.

Issuance Date: April ~~26, 2023~~ as 22, 2024 (amended ~~January 31~~ April 30, 2024.)

The franchise seller for this offering is:

Name: Jason Wiedder
Address: 8100 E. Indian School Road, Suite 201
Scottsdale, AZ 85251
Telephone: (855) 393-2372

Name: _____
Address: _____
Telephone: _____

Executive Care authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated April 22, 2024 (amended April 30, 2024) that included the following Exhibits:

<u>A. Franchise Agreement</u>	<u>G. Pre-Closing Questionnaire</u>
<u>B. Financial Statements</u>	<u>H. Table of Contents of Operations Manual</u>
<u>C. List of Franchisees</u>	<u>I. Form of General Release</u>
<u>D. List of Former Franchisees</u>	<u>J. Form of Business Associate Agreement</u>
<u>E. State Administrators and Agents for Service of Process</u>	<u>K. Form Assignment and Assumption Agreement</u>
	<u>L. State Effective Dates</u>
<u>F. State Addenda</u>	<u>M. Receipt Pages</u>

Please sign and print your name below, date and return one copy of this receipt to Executive Home Care Franchising, LLC and keep the other for your records.

Date of Receipt _____ Print Name: _____

Date of Receipt _____ Print Name: _____

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and ~~Check all that apply.~~ agreements carefully.

If Executive Home Care Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that Executive Home Care Franchising, LLC gives 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 Executive Home Care Franchising, LLC gives 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 Executive Care 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit E.

The franchisor is Executive Home Care Franchising, LLC, located at 8100 E. Indian School Road, Suite 201, Scottsdale, AZ 85251. Its telephone number is (855) 393-2372.

Issuance Date: April 22, 2024 (amended April 30, 2024)

The franchise seller for this offering is:

Name: Jason Wiedder
Address: 8100 E. Indian School Road, Suite 201
Scottsdale, AZ 85251
Telephone: (855) 393-2372

Name: _____
Address: _____
Telephone: _____

~~Executive Care authorizes the respective state agencies identified on Exhibit E to receive service of process for it in the particular state.~~

Name: _____
Address: _____
Telephone: _____

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	M. Receipt Pages

Please sign and print your name below, date and return one copy of this receipt to Executive Home Care Franchising, LLC and keep the other for your records.

Date of Receipt

Print Name:

Date of Receipt

Print Name: _____